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NEW ZEALAND EQUITY RESEARCH | FINANCIALS | PROPERTY AND INSURANCE PREMIUM LENDING

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General Capital Limited
Scaling a Deposit-Funded Lending Platform

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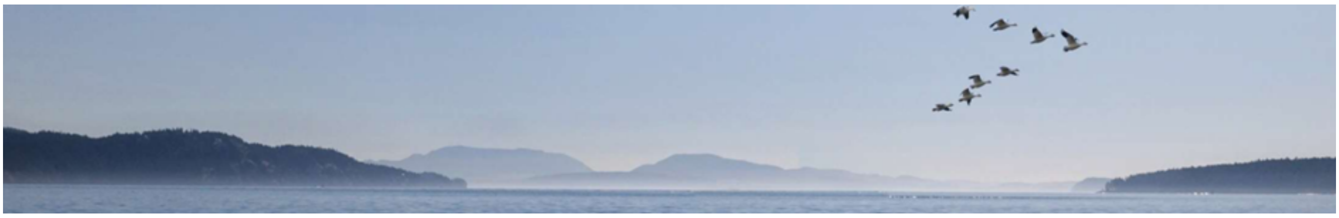
General Capital Limited (GEN) operates through General Finance, a licensed non-bank deposit taker (NBDT), and is scaling predominantly property-secured residential lending alongside insurance premium funding. Its proposition is simple—where security is adequate, GEN delivers faster approvals than banks for asset-rich, income-constrained borrowers whose applications sit outside standardised bank credit policy despite the collateral on offer. NZ's Depositor Compensation Scheme (DCS) narrows the depositor-facing risk gap between bank and non-bank deposits, lifting depositor confidence. The question is whether GEN can convert deposit-led growth into repeatable earnings leverage while maintaining credit standards and funding discipline. Our forecasts assume it can, with EPS forecast to reach NZ5.6cps by FY28 (FY25: NZ3.1cps) as operating leverage becomes visible. We initiate coverage with a blended spot valuation of NZ$0.50.



NZX code	GEN
Share price	NZ$0.27
Spot Valuation	NZ$0.50
Risk rating	Medium
Issued shares	91.9m
Market cap	NZ$24.8m
Avg daily turnover	14.2k (NZ$4k)

Financials: Mar/	25A	26E	27E	28E
Total Income (NZ$m)	22.6	24.5	31.1	37.1
NPAT* (NZ$m)	2.8	3.2	3.9	5.1
EPS* (NZc)	3.1	3.5	4.2	5.6
DPS (NZc)	1.0	1.1	1.2	1.4
Imputation (%)	100	100	100	100

*Based on normalised profits

Valuation (x)	25A	26E	27E	28E
PE	8.8	7.7	6.4	4.9
EV/EBIT	n/a	n/a	n/a	n/a
EV/EBITDA	n/a	n/a	n/a	n/a
Price / NTA	1.0	0.9	0.8	0.7
Cash div yld (%)	3.6	3.9	4.5	5.1
Gross div yld (%)	5.0	5.4	6.2	7.2

Balance sheet momentum is solid as operating leverage nears an inflection point

Macro conditions are stabilising, and funding has become more supportive for deposit-funded NBDTs post-DCS. Our forecasts have GEN growing deposits and lending faster than system credit, with net interest margin (NIM) under pressure as new deposits deploy into loans. Profitability has not yet reflected scale benefits—1H26 NPAT fell -35% to NZ$1.0m as ~NZ$0.6m of one-offs and higher provisions for Bridges' insurance premium book weighed, but recent quarterly updates confirm earnings are turning. Bridges is growing strongly, with premium funding revenue +29% in 1H26. Earnings leverage builds as one-offs unwind and the platform scales.

Valuation discount creates opportunity

GEN trades at a substantial discount to listed peers, which we primarily attribute to its small-cap scale and limited market familiarity rather than to any fundamental concern, given book growth sits at the higher end of listed NBDT peers across Australasia. The market values GEN at ~6.2x 12-month forward earnings versus non-bank peers at 6.8x and Australasian banks at ~13.4x, with investors anchoring GEN to historic profitability amid limited forward guidance and peer-benchmarked disclosure. A re-rating is achievable: demonstrate operating leverage as the balance sheet scales, then shift the valuation anchor from trailing to forward earnings via clearer targets, guidance, and repeatable operating metrics. Closing even part of the PE gap would imply meaningful upside. FY26 results are expected on or around 22 May 2026.

General Capital Limited (GEN)

Market Data (NZ$)	
Priced as at 11 May 2026	**0.27**
52 week high / low	0.34 / 0.24
Market capitalisation (NZ$m)	24.8

Key WACC assumptions	
Risk free rate	5.00%
Equity beta	1.35
WACC	13.9%
Terminal growth	1.5%

Profit and Loss Account (NZ$m)	2024A	2025A	2026E	2027E	2028E
Interest income	16.5	21.5	23.1	29.3	35.0
Net interest income	**7.5**	**8.9**	**9.8**	**12.1**	**13.6**
Other income (net)	0.7	1.1	1.4	1.8	2.0
Net revenue	**8.2**	**9.9**	**11.2**	**13.9**	**15.7**
Operating expenses	(4.6)	(6.0)	(6.6)	(8.0)	(8.0)
Associate income	-	-	-	-	-
Tax	(1.0)	(1.1)	(1.8)	(2.0)	(2.5)
Minority interests	-	-	-	-	-
Reported NPAT	**2.6**	**2.8**	**2.7**	**3.9**	**5.1**
Abnormals/other	-	-	0.5	-	-
Normalised NPAT	**2.6**	**2.8**	**3.2**	**3.9**	**5.1**
Normalised EPS (cps)	0.7	3.1	3.5	4.2	5.6
DPS (cps)	-	1.0	1.1	1.2	1.4

Growth Rates	2024A	2025A	2026E	2027E	2028E
Interest income (%)	55.2	30.7	7.2	26.8	19.5
Net interest income (%)	39.6	17.9	10.4	23.2	12.9
Net revenue (%)	6.4	21.2	12.6	23.9	13.0
Normalised NPAT (%)	16.6	6.5	15.3	19.9	31.7
Normalised EPS (%)	-26.2	>100	15.3	19.8	31.7
Ordinary DPS (%)	n/a	n/a	7.8	13.8	15.5

Cash Flow (NZ$m)	2024A	2025A	2026E	2027E	2028E
EBITDA	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Working capital change	n/a	n/a	n/a	n/a	n/a
Interest & tax paid	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a
Operating cash flow	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Capital expenditure	n/a	n/a	n/a	n/a	n/a
(Acquisitions)/divestments	n/a	n/a	n/a	n/a	n/a
Other	n/a	n/a	n/a	n/a	n/a
Funding available/(required)	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Dividends paid	n/a	n/a	n/a	n/a	n/a
Equity raised/(returned)	-	-	-	-	-
(Increase)/decrease in net debt	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

Balance Sheet (NZ$m)	2024A	2025A	2026E	2027E	2028E
Cash & cash equivalents	15.3	36.0	15.4	24.9	34.8
Loan receivables	132.2	151.1	238.4	285.2	319.2
Intangibles	2.5	4.8	4.8	4.8	4.8
Bank deposits	12.8	25.0	25.0	25.0	25.0
Other assets	0.6	1.2	1.2	1.2	1.2
Total funds employed	**163.3**	**218.2**	**284.8**	**341.2**	**385.1**
Term deposits	135.1	184.7	252.7	305.8	345.5
Lease liability	-	-	0.0	0.0	0.0
Other liabilities	1.4	4.3	0.6	0.6	0.6
Shareholders' funds	26.8	29.2	31.5	34.8	38.9
Minority interests	-	-	-	-	-
Total funding sources	**163.3**	**218.2**	**284.8**	**341.2**	**385.1**

* Forsyth Barr target prices reflect valuation rolled forward at cost of equity less the next 12-months dividend** Information on Forsyth Barr's Carbon and ESG (CESG) ratings can be found at www.forsythbarr.co.nz/corporate-news-events/cesg-report

Spot valuation (NZ$)	**0.50**
PE comparable	0.36
P/NTA comparable	0.40
DCF	0.62

Key WACC assumptions	
Risk free rate	5.00%
Equity beta	1.35
WACC	13.9%
Terminal growth	1.5%

Valuation Ratios	2024A	2025A	2026E	2027E	2028E
EV/Sales (x)	n/a	n/a	n/a	n/a	n/a
EV/EBITDA (x)	n/a	n/a	n/a	n/a	n/a
EV/EBIT (x)	n/a	n/a	n/a	n/a	n/a
PE (x)	37.3	8.8	7.7	6.4	4.9
Price/NTA (x)	4.1	1.0	0.9	0.8	0.7
Free cash flow yield (%)	n/a	n/a	n/a	n/a	n/a
Adj. free cash flow yield (%)	n/a	n/a	n/a	n/a	n/a
Net dividend yield (%)	0.0	3.6	3.9	4.5	5.1
Gross dividend yield (%)	0.0	5.0	5.4	6.2	7.2

Capital Structure	2024A	2025A	2026E	2027E	2028E
Interest cover EBIT (x)	>100x	>100x	>100x	>100x	>100x
Interest cover EBITDA (x)	>100x	>100x	>100x	>100x	>100x
Net debt/ND+E (%)	n/a	n/a	n/a	n/a	n/a
Net debt/EBITDA (x)	n/a	n/a	n/a	n/a	n/a

Key Ratios	2024A	2025A	2026E	2027E	2028E
Return on assets (%)	1.6	1.3	1.1	1.1	1.3
Return on equity (%)	9.8	9.6	8.7	11.1	13.1
Return on funds employed (%)	n/a	n/a	n/a	n/a	n/a
EBITDA margin (%)	n/a	n/a	n/a	n/a	n/a
EBIT margin (%)	n/a	n/a	n/a	n/a	n/a
Capex to sales (%)	n/a	n/a	n/a	n/a	n/a
Capex to depreciation (%)	n/a	n/a	n/a	n/a	n/a
Imputation (%)	100	100	100	100	100
Pay-out ratio (%)	0	32	30	29	25

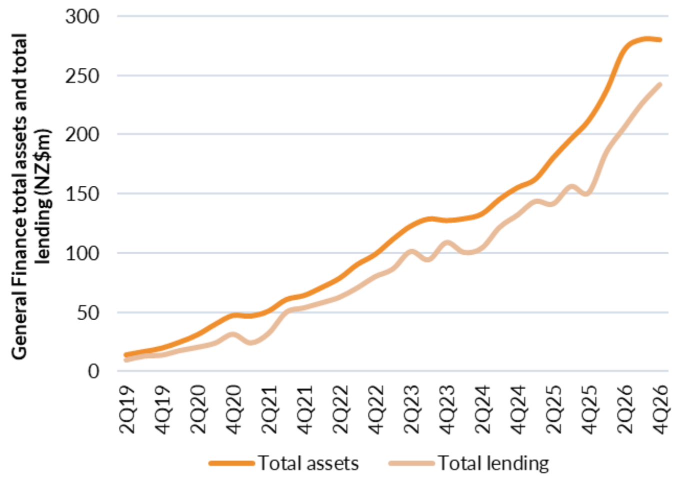
Segment Performance	2024A	2025A	2026E	2027E	2028E
General Finance revenue (NZ$m)	**7.8**	**9.7**	**10.9**	**13.6**	**15.4**
Segment revenue growth rate (%)	3%	25%	12%	25%	13%
Segment as % of total revenue (%)	95%	96%	98%	98%	99%
NIM (%)	4.94%	4.73%	3.97%	3.91%	3.80%
Gross receivables book size (NZ$m)	134.1	154.0	242.5	291.0	325.9
Loss allowance & deferred fees (NZ$m)	-2.0	-2.9	-4.1	-5.8	-6.7
Segment NPAT (NZ$m)	2.9	3.3	3.7	5.2	6.5
Segment NPAT growth rate (%)	-11%	16%	11%	39%	25%
Research+Advisory revenue (NZ$m)	**0.1**	**0.1**	**0.1**	**0.1**	**0.1**
Segment revenue growth rate (%)	4%	-2%	3%	3%	3%
Segment as % of total revenue (%)	2%	1%	1%	1%	1%
Segment NPAT	**0.1**	**0.0**	**0.0**	**0.0**	**0.0**
Segment NPAT growth rate (%)	-113%	-109%	-7%	-7%	-7%
Corporate+Eliminations rev. (NZ$m)	**-1.4**	**-0.6**	**-1.6**	**-1.0**	**-1.0**
Segment NPAT	**-0.3**	**-0.5**	**-1.1**	**-1.4**	**-1.4**
Interest income	16.5	21.5	23.1	29.3	35.0
Other income (gross)	0.7	1.1	1.4	1.8	2.1
Total income	**17.2**	**22.6**	**24.5**	**31.1**	**37.1**

Executive Summary

General Capital (GEN) is a deposit-funded non-bank lender operating a residential property-secured lending book alongside insurance premium funding. GEN targets asset-rich, bank-underserved borrowers, growing the lending book to NZ$243m by 4Q26—a seven-year CAGR of +51%—with credit losses contained below 0.5% of loans. The Depositor Compensation Scheme (DCS) has supported deposit confidence and narrowed the perceived risk gap between bank and non-bank deposits, expanding the funding runway. The investment case depends on whether GEN can sustain deposit-led growth and convert it into repeatable earnings leverage while maintaining credit settings—we believe it can.

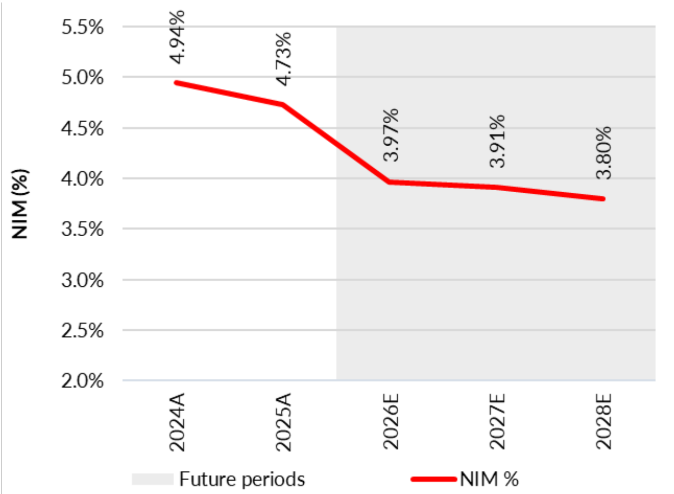
Momentum accelerated into 1H26, supported by strong deposit inflows and a growing loan book, consistent with a supportive post-DCS backdrop for deposit-funded NBDTs. Reported profitability has not yet reflected scale benefits—1H26 NPAT fell -35% to NZ$1.0m as ~NZ$0.6m of Bridges-related and other one-offs suppressed earnings conversion. The 3Q26 and 4Q26 updates confirmed the turn—with 2H26 General Finance NPAT lifting to NZ$2.2m (+36% on 1H26). Bridges is also contributing, with premium funding revenue up +29% against the prior year, adding a second earnings stream and diversification.

Figure 1. Book growth has been impressive for several years



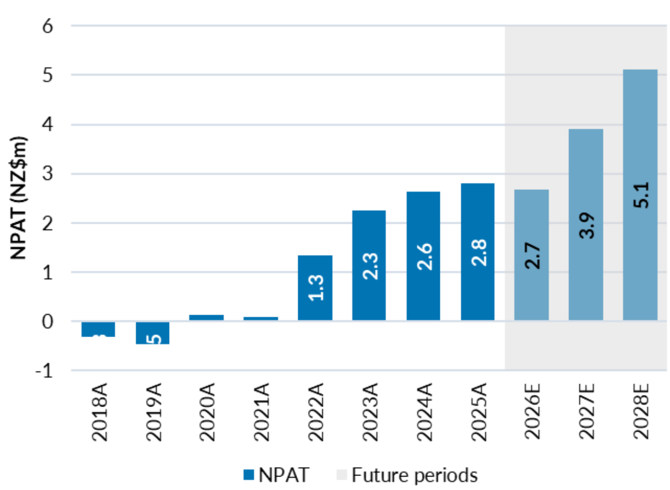
Source: Company, Forsyth Barr analysis

Figure 2. But NIM has been under pressure*



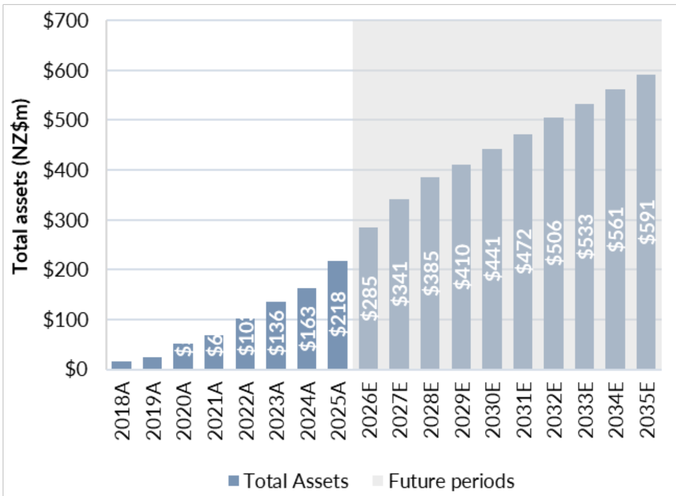
Source: Company, Forsyth Barr analysis, *FY25 change in accounting methodology limits history

Figure 3. NPAT is near an inflection point ...



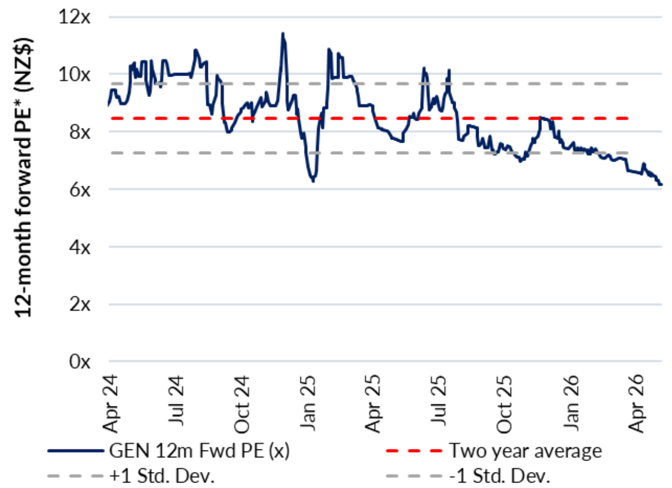
Source: Company, Forsyth Barr analysis

Figure 4. ... total assets forecast to rise 2.7x over the decade



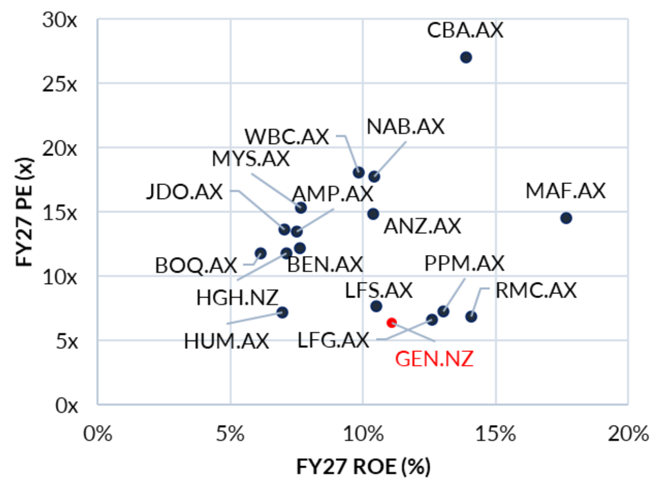
Source: Company, Forsyth Barr analysis

Figure 5. GEN has de-rated over recent months ...



Source: Workspace, Forsyth Barr analysis

Figure 6. ... we see scope for PE expansion given its growing ROE



Source: Workspace, Forsyth Barr analysis

Strategies for growth

1. **Deposit franchise and DCS tailwind:** DCS-supported depositor confidence is extending the runway for deposit-led growth, but funding discipline will determine whether scale translates into value rather than volume.
2. **Platform expansion and product breadth:** Bridges adds insurance premium funding as a second niche alongside secured property lending, widening the addressable market and smoothing earnings, with further product expansion best delivered through tightly targeted adjacent niches rather than broad diversification.
3. **Operating leverage:** Management will need to demonstrate cost growth tracking below revenue growth as the loan book scales, with improving efficiency ratios and profit conversion into reported NPAT.
4. **Disclosure upgrade:** Clearer guidance, medium-term targets, and repeatable operating and risk metrics should reduce investor guesswork and shift valuation from trailing earnings towards forward outlook/guidance.

Investment thesis in brief

- **Deposit-led growth platform:** 4Q26 deposits grew by +34% against the prior year, with NZ$280m of total assets.
- **Earnings leverage optionality:** 4Q26 quarterly NPAT of NZ$1.1m (+86% year-on-year) confirms improving earnings conversion.
- **Diversification via Bridges:** Premium funding expands product breadth and provides a second niche.
- **Valuation support:** +85% upside implied by our NZ$0.50 spot valuation—equivalent to ~11.4x our 12-month forward EPS forecast.
- **Catalysts:** Deposit growth, operating leverage, forward disclosure, and market recognition.

Key risks

- **Deposit pricing and margin pressure:** Deposit competition could compress NIM or growth and delay operating leverage.
- **Credit and property cycle exposure:** Rising unemployment could lift arrears and impairments even with conservative LVR settings, while subdued house price inflation (HPI) could slow lending growth.
- **Execution risk:** Scaling premium funding without diluting efficiency or credit discipline, alongside Howden referral dependency.
- **Regulatory and compliance burden:** Evolving NBDT settings could increase cost or constrain product flexibility beyond the incremental compliance spend already factored into our forecasts from FY27.
- **Small-cap liquidity and market visibility:** Limited broker coverage and liquidity can delay re-rating even if fundamentals improve.
- **Funding concentration:** Reliance on retail term deposits increases sensitivity to depositor sentiment and pricing.
- **Disclosure and guidance risk:** Limited forward metrics may persist, keeping valuation anchored to trailing earnings.

Section 1: Investment thesis and valuation

Our spot valuation for GEN is NZ$0.50, derived from a blended methodology: (1) a peer-indexed price-to-NTA (P/NTA) valuation (25%), (2) a peer-relative PE comparable valuation (25%), and (3) a discounted cash flow (DCF) analysis (50%).

Figure 7. Blended valuation approach

Method	Weight (%)	Spot Value (NZ$)
P/NTA comparable valuation	25%	0.40
PE comparable valuation	25%	0.36
DCF	50%	0.62
Blended spot valuation	**100%**	**0.50**

Source: Forsyth Barr analysis

Figure 8. WACC inputs

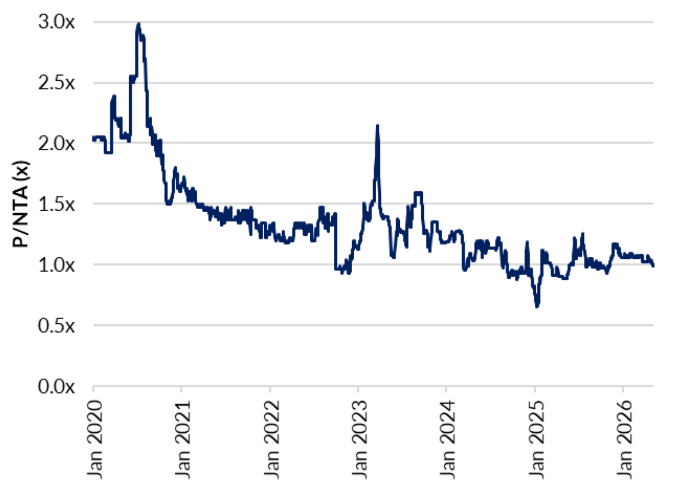
WACC input	
Risk free rate (Rf)	5.0%
Equity Beta	1.35
Cost of equity (Ke)	**13.9%**
Debt premium	1.50%
Cost of debt (Kd)	**6.50%**
Terminal growth rate	1.50%
Weighted average cost of capital	**13.9%**

Source: Forsyth Barr analysis

1.1 Price-to-NTA valuation (NZ$0.40 at 25% weight)

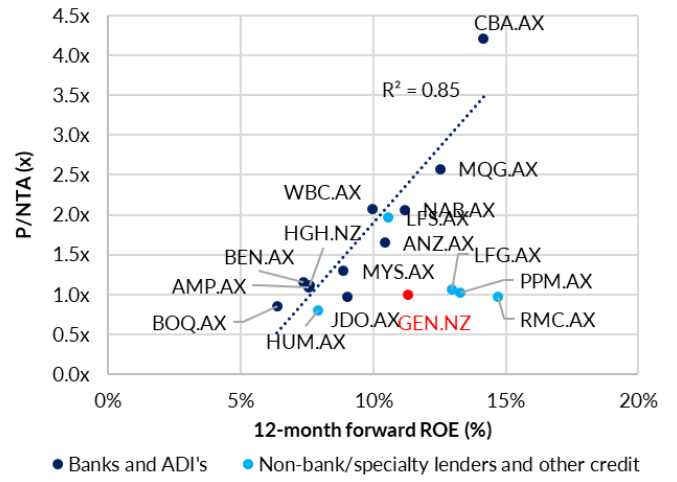
We apply a comparables-based price-to-NTA (P/NTA) valuation of NZ$0.40 per share as part of our blended methodology. P/NTA is a standard valuation metric for financial institutions, where earnings are balance-sheet driven. GEN reported net tangible assets of NZ$24.3m at FY25, or NZ26.4cps (91.9m shares outstanding), lifting to NZ$25.1m (NZ27.4cps) as at September 2025. Our valuation applies a ~1.1x forward P/NTA multiple, representing a ~20% discount to the average FY27/FY28 forward P/NTA of our broader peer group (including banks, ADIs and non-bank lenders). This discount primarily reflects GEN's smaller scale, relatively limited earnings track record and NBDT status. Our NZ$0.40 valuation implies a spot P/NTA of ~1.5x based on last-reported 1H26 NTA, broadly in line with non-bank peers (excluding banks and ADIs). GEN has traded around 1.0x P/NTA since 2024, despite above-system growth, including total asset growth of +34% in FY25A and deposit growth of +52% in 1H26, an improving ROE profile, and the DCS tailwind supporting funding stability. We believe GEN could trade at a premium to non-bank peers over time, with: (1) its ROE having converged with peers in recent years—we expect this to improve further in the near term (Figure 11); and (2) forecast EPS growth that is among the strongest in the Australasian-listed non-bank lender peer group (Figure 12).

Figure 9. GEN currently trades at ~1x NTA, broadly in line with recent history



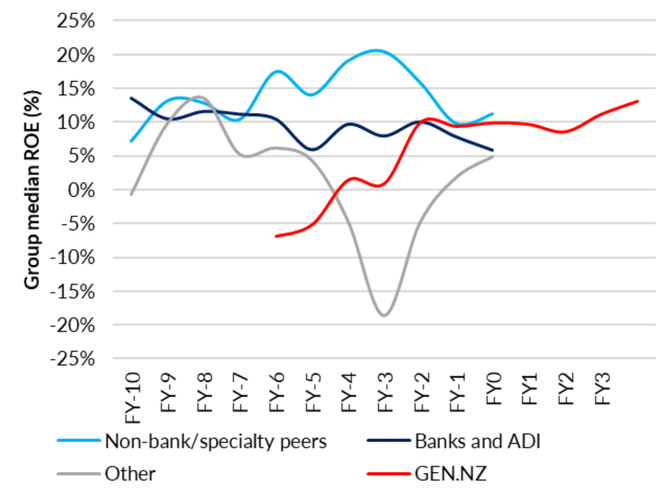
Source: Bloomberg, Forsyth Barr analysis

Figure 10. Australian listed non-bank lenders often trade at a discount to listed banks and ADIs



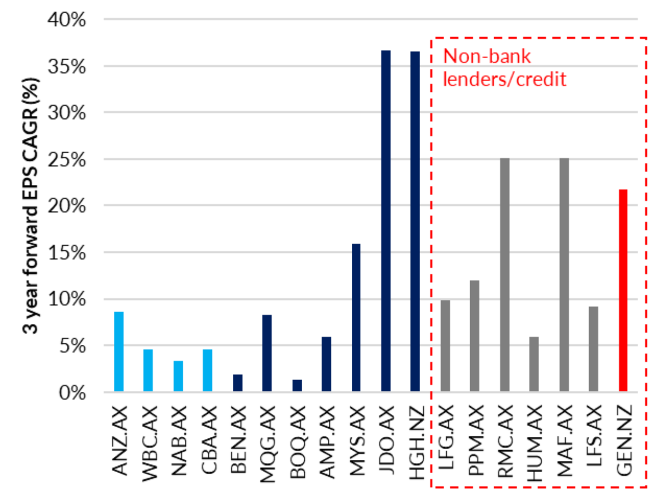
Source: Bloomberg, Workspace, Forsyth Barr analysis

Figure 11. GEN's ROE has converged with other Australasian non-bank lenders over time—we expect growth to continue



Source: Workspace, Forsyth Barr analysis

Figure 12. We forecast GEN to be among the fastest growing Australasian-listed non-bank lenders over the near term



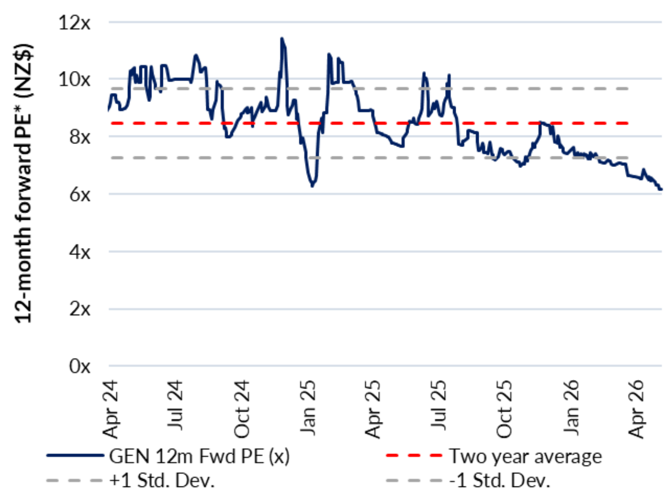
Source: Workspace, Forsyth Barr analysis

1.2 PE relative valuation (NZ$0.36 at 25% weight)

GEN currently trades at 6.2x 12-month forward PE, representing a ~10% discount to the Australasian non-bank peer group average of 6.8x (below the wider Australasian banks at ~13.4x and major banks at 18.4x) and materially below its own historic levels, having traded around 8x over recent history. Heartland Group Holdings (HGH), the closest listed comparator despite its 2024 redomicile to Australia, trades on ~10.7x 12-month forward earnings. Our PE-based relative valuation applies a forward multiple of ~7.5x to our forecast earnings, which we view as undemanding relative to GEN's own history and non-bank peers (which have historically traded within a 6–8x range, see Figure 14). We view this multiple as conservative given GEN's sector-leading loan book growth (Figure 15) and our expectations for near-term EPS growth among the highest in the listed non-bank sector (Figure 12). Our 7.5x multiple is derived as the average forward FY27/FY28 multiple across our broader peer group.

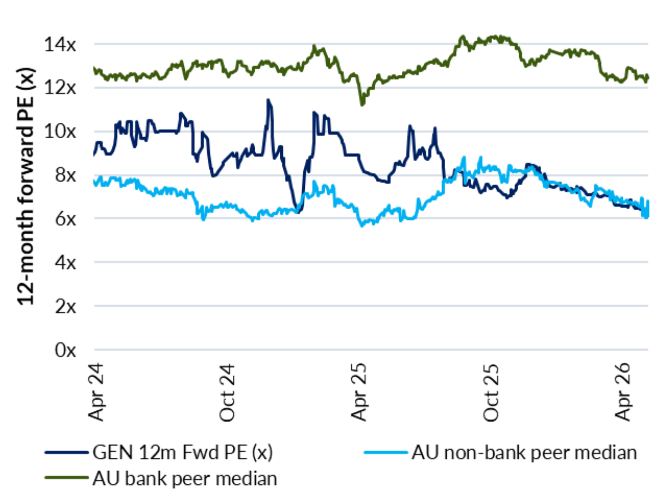
GEN has historically traded on trailing earnings, with investors anchored to past profitability given limited forward guidance and peer-benchmarked disclosure.

Figure 13. GEN has historically traded around 8x 12-month forward earnings ...



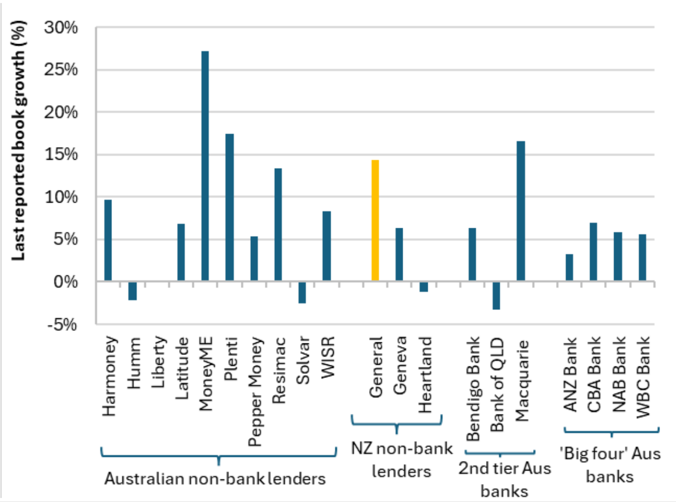
Source: Company, Forsyth Barr analysis, *PE data from FY18–FY21 is N/A

Figure 14. ... Australasian non-bank peers trade in a similar range, GEN currently trades at a ~10% discount to peers



Source: Workspace, Forsyth Barr analysis

Figure 15. Peer loan book growth (last reported full year)



Source: Company data, Forsyth Barr analysis

Figure 16. EPS versus PE ranges stock matrix

		PE multiple (x)				
		5.5	6.5	7.5	8.5	9.5
	3.6	$0.20	$0.23	$0.27	$0.30	$0.34
Forward	4.0	$0.22	$0.26	$0.30	$0.34	$0.38
EPS	4.4	$0.24	$0.29	$0.33	$0.37	$0.42
range	4.9	$0.27	$0.32	$0.36	$0.42	$0.46
(cps)	5.4	$0.30	$0.35	$0.40	$0.46	$0.51
	5.9	$0.33	$0.38	$0.44	$0.50	$0.56
	6.5	$0.36	$0.42	$0.49	$0.55	$0.62

Source: Forsyth Barr analysis

Figure 17. Australasian comparables

Company name	Company code	Share price ($)	Balance date	Market Capitalisation ($m)	Cash ROE (last FY %)	Closing book size (last FY $m)	Book growth (last FY %)	Interest income growth (last FY %)	Trailing cash PE* (last FY x)	12-month forward PE (x)	NIM last (FY %)	Credit losses (last FY %)	Risk adjusted income yield last (FY %)
Australian non-bank lenders													
Harmoney	HMY	0.74	Jun-25	78	16%	795	10%	8%	13.7	6.0	9%	4%	6%
Humm	HUM	0.68	Jun-25	316	10%	4,908	-2%	8%	6.0	6.0	7%	2%	6%
Liberty	LFG	3.32	Jun-25	1,026	12%	14,660	0%	4%	7.1	6.1	1%	0%	1%
Latitude	LFS	0.92	Dec-25	962	9%	7,211	7%	11%	9.2	7.4	11%	0%	11%
MoneyME	MME	0.08	Jun-25	67	N/A	1,477	27%	-6%	N/A	5.9	8%	5%	3%
Plenti	PLT	0.84	Mar-25	154	39%	2,423	17%	23%	11.2	7.0	5%	1%	4%
Pepper Money	PPM	1.72	Dec-25	766	10%	16,854	5%	-11%	9.2	6.8	2%	1%	1%
Resimac	RMC	0.90	Jun-25	352	15%	15,975	13%	6%	6.1	5.9	1%	0%	1%
Solvar	SVR	1.51	Jun-25	286	9%	796	-2%	-6%	8.4	7.7	18%	5%	14%
WISR	WZR	0.02	Jun-25	35	N/A	813	8%	-2%	N/A	N/A	5%	2%	3%
NZ lenders													
General	GEN	0.27	Mar-25	25	11%	151	14%	31%	7.4	6.2	5%	0%	4%
Geneva	GFL	0.46	Mar-25	34	25%	117	6%	13%	3.5	N/A	8%	0%	12%
Heartland	HGH	1.14	Jun-25	1,054	5%	7,082	-1%	7%	18.8	10.7	4%	1%	3%
Australian 2nd-tier banks													
Bendigo Bank	BEN	10.63	Jun-25	6,186	8%	85,708	6%	5%	12.0	12.5	2%	0%	2%
Bank of QLD	BOQ	6.34	Aug-25	4,194	6%	77,553	-3%	2%	10.9	11.5	2%	0%	2%
Macquarie	MQG	239.34	Mar-25	91,180	16%	205,648	17%	10%	16.1	N/A	2%	0%	2%
Australian majors													
ANZ Bank	ANZ	35.90	Sept-25	110,892	8%	833,330	3%	5%	18.9	14.5	2%	0%	2%
CBA Bank	CBA	174.01	Jun-25	294,379	14%	1,013,300	7%	7%	28.7	25.9	2%	0%	2%
NAB Bank	NAB	38.22	Sept-25	117,673	11%	781,500	6%	-4%	16.6	16.0	1%	0%	1%
WBC Bank	WBC	37.12	Sept-25	128,056	10%	856,400	6%	1%	18.4	17.3	2%	0%	2%

Source: Company data, Workspace, Forsyth Barr analysis, *Adding back non-cash items

1.3 Discounted cash flow (NZ$0.62 at 50% weight)

Our DCF valuation uses a weighted average cost of capital (WACC) of 13.9%, reflecting the elevated risk associated with a micro-cap NBDT, and a terminal growth rate of 1.5%. Our key WACC assumptions are set out in Figure 8. Our key forecast assumptions include:

- **Loan book growth:** We forecast the receivables book to grow from NZ$151.1m at FY25 to NZ$319.2m by FY28, representing a three-year CAGR of ~28%. Growth is underpinned by continued strength in deposit inflows post-DCS (secured term deposits grew +52% year-on-year in 1H26), expansion of insurance premium funding via Bridges Financial Services, and a normalising NZ property market supporting lending demand. Beyond FY28, we moderate annual loan book growth to ~8%–10% as the business approaches scale and deposit growth normalises.
- **Net interest margin (NIM):** We forecast NIM moderating from 4.73% in FY25A (using FY25 restated financials) to ~3.80% by FY28 on three dynamics: (1) DCS-supported deposit growth across NBDTs increasing competition for quality property-secured lending, (2) renewed competition for term deposits as wholesale and retail rates rise, and (3) asset mix shift as Bridges insurance premium funding grows. Absolute NII continues to grow—from NZ$8.9m in FY25A to NZ$13.6m in FY28E—as balance sheet growth more than offsets margin compression.
- **Credit losses:** GEN's credit loss ratio has been consistently low, reflecting a conservative secured lending model with LVRs predominantly below 70% (83% of the property loan book at 4Q26—Figure 32). We model credit losses of 30bp to 40bp of gross loans, consistent with the historical range (Figure 29) and management's stated risk appetite.
- **Operating leverage:** As the asset base scales, GEN captures operating leverage. Cost-to-income declines as fixed and semi-fixed costs (compliance, technology, premises) spread across a larger revenue base. We forecast cost-to-income to fall over time, though incremental regulatory and compliance spend tempers the trajectory.
- **Capital requirements:** We assume GEN maintains its capital ratio above 12%, well in excess of the 8% trust deed minimum (actual 16.4% at 4Q26), retaining ~75% of earnings to support loan book growth. Our dividend payout ratio is modelled at 30%/29%/25% of FY26/FY27/FY28 normalised NPAT respectively.

Our DCF analysis yields a valuation of **NZ$0.62 per share.**

1.4 FY26 outlook and FY27 estimates

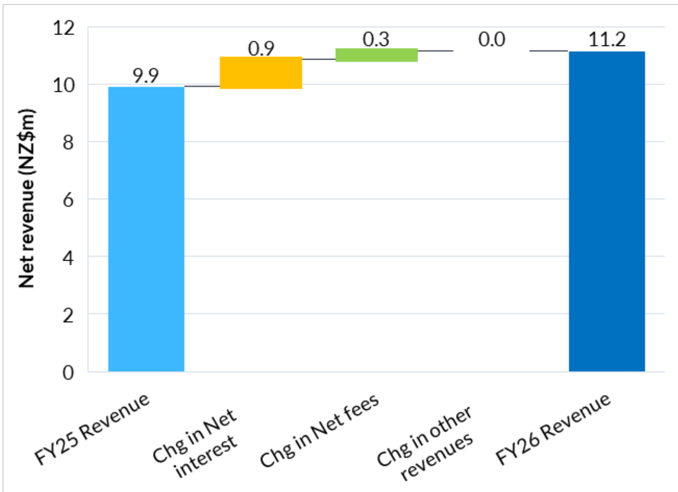
We expect GEN to report FY26 for the year ending 31 March 2026 on or around 22 May 2026. The 1H26 result was marked by strong top-line momentum, with revenue +19% to NZ$12.9m, total assets +26% to NZ$275.8m and secured term deposits +52%, but reported NPAT fell -35% to NZ$1.0m, suppressed by approximately NZ$0.6m of one-off costs related to the Bridges acquisition and integration. The March 2026 quarter (4Q26) provided a cleaner read on earnings cadence, with quarterly NPAT lifting to NZ$1.1m (+86% on the year earlier) and total assets reaching NZ$280.3m—consistent with acquisition cost drag unwinding as scale builds. We forecast full-year FY26E normalised NPAT of NZ$3.2m (NZ3.5cps), with reported NPAT of NZ$2.7m broadly flat on FY25 as one-off cost drag in 1H26 offsets a materially stronger 2H26. Receivables are forecast to reach NZ$238.4m (+58% on FY25A's NZ$151.1m), driven by continued DCS-supported deposit growth, but NIM compression to 3.97% in FY26E (from 4.73% in FY25) will temper revenue conversion in the near term.

FY27 should begin to show the earnings inflection. We forecast FY27E normalised NPAT of NZ$3.9m (+20% on FY26E), translating to NZ4.2cps. Two key factors drive the step-up:

1. continued loan book expansion to NZ$285.2m in receivables (+20%), supported by ongoing DCS deposit momentum; and
2. operating leverage emerging as cost growth tracks below revenue growth, with General Finance segment interest income (~99% of group) forecast at NZ$29.2m (+27%) on a significantly larger receivables book through the financial year.

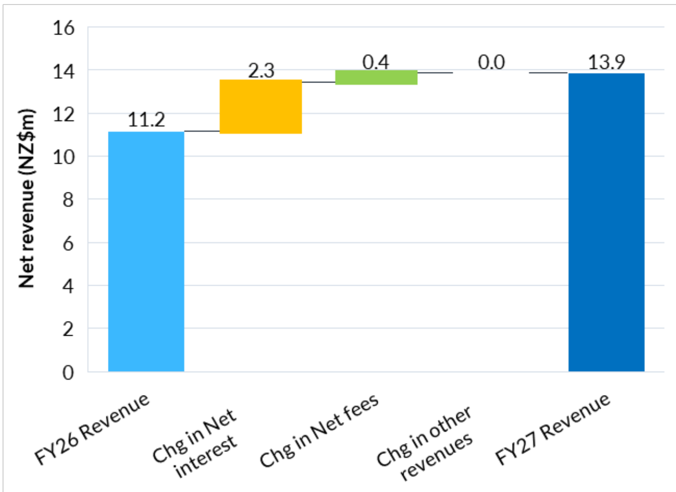
NIM is expected to moderate modestly to 3.91% in FY27, but absolute net interest income should continue to grow as balance sheet scale more than offsets margin compression. We forecast ROE to lift meaningfully from ~9.6% in FY25 to ~13% in FY28, which should broaden appeal to yield-focused investors, particularly with the gross dividend yield rising to ~7.2% on our FY28 DPS estimate of ~NZ1.4cps (~25% payout ratio forecast). At our FY27E/FY28E EPS forecast track of NZ4.2cps/NZ5.6cps, GEN trades on ~6.2x 12-month forward earnings versus non-bank peers at 6.8x and Australasian banks at ~13.4x. We believe a re-rating is warranted as earnings leverage emerges through FY27/FY28. Figures 18 and 19 are the net revenue bridge from FY25 to FY26 and FY26 to FY27 respectively.

Figure 18. GEN—Revenue bridge (FY25 to FY26)



Source: Company data, Forsyth Barr analysis

Figure 19. GEN—Revenue bridge (FY26 to FY27)



Source: Company data, Forsyth Barr analysis

1.5 Upside catalysts

1. **Loan book growth exceeding expectations.** The DCS expands GEN's deposit-gathering capacity, but our base case assumes measured deployment into the loan book given conservative underwriting and competitive lending conditions. If borrower demand strengthens faster than expected—driven by improving property turnover, stable rates, or increased broker engagement—and GEN can deploy deposits into earning assets at an accelerated pace without compromising credit settings, revenue and earnings growth would materially exceed our forecasts. Loan book growth is the primary lever for the investment case: it drives revenue directly, improves operating leverage through scale, and supports a rising ROE trajectory.
2. **Visible operating leverage.** If GEN demonstrates that cost growth tracks below revenue growth over the next two to three reporting periods, the market will price the stock on forward earnings rather than trailing. A cost-to-income ratio trending towards 50% on the current asset trajectory validates the thesis that balance sheet scale converts into earnings leverage—the core of our investment case.
3. **NIM stabilisation.** Our base case assumes NIM moderates as deposit and lending rates reprice. If management can hold NIM closer to current levels through disciplined deposit pricing and selective lending—or if the rate cycle stabilises earlier than expected—earnings growth would materially exceed our forecasts, as incremental margin drops almost entirely to the bottom line.
4. **Value-accretive acquisitions.** The Bridges transaction demonstrated management's willingness and capability to execute bolt-on acquisitions that extend the lending platform. The fragmented NZ NBDT sector presents further opportunities, particularly among smaller operators struggling with the compliance burden of evolving prudential standards. An acquisition that adds scale without diluting credit quality or operational discipline would be accretive to both earnings and the re-rating narrative.
5. **Improved disclosure and forward guidance.** Formal earnings guidance, medium-term targets, or peer-benchmarked operating metrics directly address the valuation discount. The market currently values GEN on trailing multiples partly because there is no forward framework to anchor to. Even modest steps—such as providing a cost-to-income target, NIM guidance range, or loan book growth outlook—could shift investor perception and compress the PE discount to peers.
6. **Path toward bank registration.** As discussed in Sections 3.5 and 3.6, we see a plausible pathway to bank registration over a three-to-five year horizon. Any formal signal—governance upgrades, systems investment, or regulatory engagement—would reframe the market's perception of GEN from micro-cap NBDT to emerging deposit franchise, compressing the PE discount.
7. **Improving return on equity and dividend growth.** As the business scales and operating leverage emerges, ROE improves from current levels. The Board elected to distribute ~30% of NPAT for the half-year ended 30 September 2025. We assume a 30% FY26 payout ratio on underlying earnings, and a terminal 25% payout from FY28. However, a rising payout on a growing earnings base could attract yield-oriented investors and broaden the register.

1.6 Key risks

We identify several risks to our investment thesis, spanning credit, margin, execution, regulatory, and market structure dimensions. While none are unique to GEN, several are amplified by its micro-cap scale and early-stage operating leverage profile.

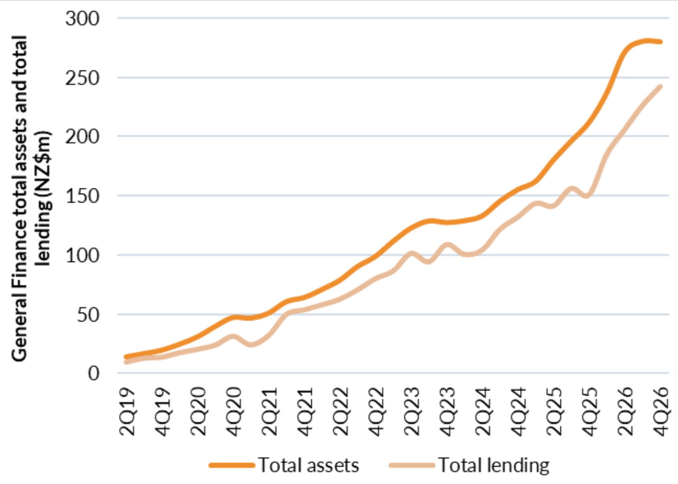
Deposit pricing and NIM compression are the most immediate risks. The DCS has reduced perceived risk differentials, intensifying retail funding competition—if deposit costs rise faster than lending yields reprice, operating leverage will be delayed. Credit and property cycle exposure is structural: while conservative LVR settings provide protection, the loan book has grown rapidly and remains relatively unseasoned at current scale, and subdued property turnover would slow lending demand. Execution risk centres on scaling the Bridges premium funding book without diluting efficiency or credit discipline, while also investing in systems and people to support a larger balance sheet. Regulatory burden will increase as the sector transitions toward the Deposit Takers Act 2023, adding compliance costs that weigh more heavily on smaller operators. Key person risk is elevated given the Managing Director's hands-on role in strategy and operations, with succession planning expected in the coming year. Finally, micro-cap liquidity and limited disclosure remain drags on re-rating—even if fundamentals improve, the absence of forward guidance and thin trading volumes may delay the market's recognition of that improvement.

Section 2: Who is General Capital?

2.1 Overview

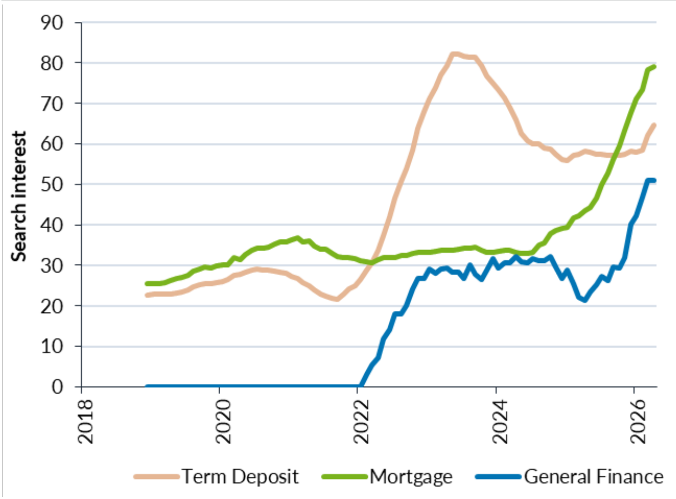
General Capital (GEN) is an NZX-listed financial services group, incorporated in 2011 and headquartered in Auckland. It operates through two wholly owned subsidiaries: General Finance Limited (GFL) and Investment Research Group Limited (IRG). GFL is the group's primary revenue and earnings driver. It is a licensed non-bank deposit taker (NBDT) regulated by the Reserve Bank of New Zealand (RBNZ) and operates under a trust deed with Covenant Trustee Services as supervisor. GFL accepts public deposits—primarily secured term deposits—and lends against residential property and insurance premium funding following GEN's acquisition of Bridges Financial Services Limited (Bridges). The lending model is deliberately conservative: 83% of the property loan book (at 4Q26) sits below 70% LVR, with no lending above 80% LVR. GEN's customers value speed of approval when security is offered—driving balance sheet growth (Figure 20), rising awareness (Figure 21), a credible step-up in earnings (Figure 22), and reasonable net interest margins (Figure 23). IRG is a much smaller part of the group, providing investment advisory, corporate finance, and research services—we view it as non-core.

Figure 20. GEN—assets and lending since listing



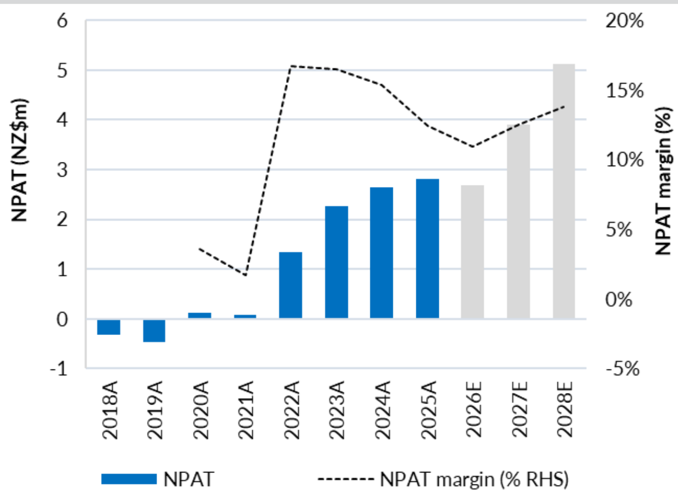
Source: Company, Forsyth Barr analysis

Figure 21. Google search interest (12-month rolling)



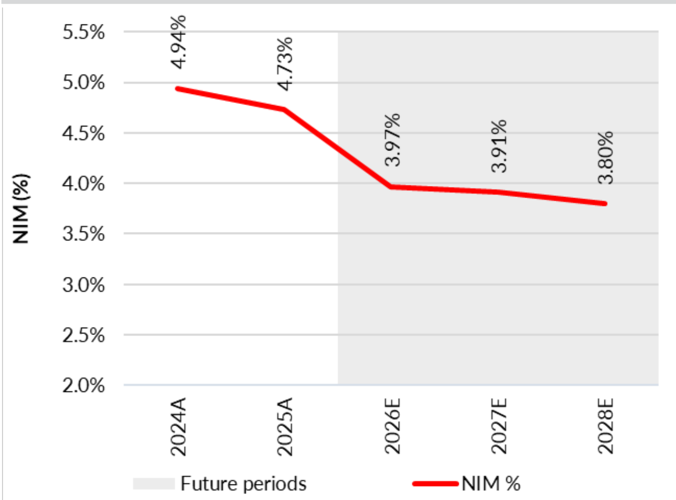
Source: Google Trends, Forsyth Barr analysis

Figure 22. GEN—NPAT and NPAT margin (%)



Source: Company, Forsyth Barr analysis

Figure 23. GEN—Net interest margin (%)

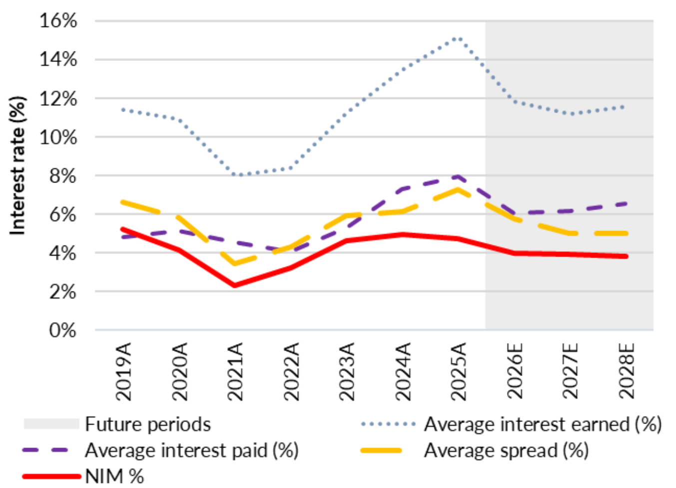


Source: Company, Forsyth Barr analysis

2.2 Business model and strategy

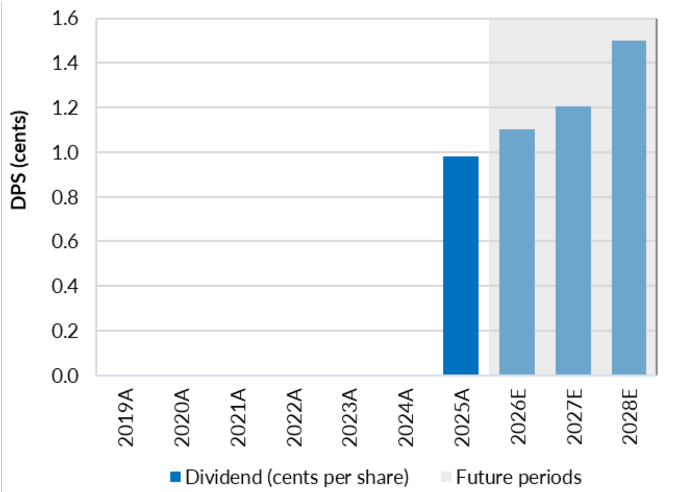
GEN's core business model is simple in concept: raise retail deposits at competitive rates and redeploy those funds into property-secured and insurance premium lending at a positive spread (Figure 24). Discipline, however, is required to operate effectively, particularly in managing credit risk, liquidity, and interest rate exposure.

Figure 24. GEN—average interest earned/paid, spread and NIM



Source: Company, Forsyth Barr analysis

Figure 25. GEN—dividends cents per share



Source: Company, Forsyth Barr analysis

We interpret management's strategy as centred on several core pillars:

1. **Conservative lending secured by low-LVR loans**—the vast majority below 70%—protects the balance sheet from significant credit losses and has been a hallmark of GEN's approach since inception (see Section 2.5).
2. **Disciplined deposit growth** under the DCS, without surrendering spread (Figure 24).
3. **Non-organic growth via acquisition** of adjacent books in: (a) property lending, (b) insurance premium markets, or (c) new niche segments. This was exemplified by the Bridges Financial Services acquisition, which adds insurance premium funding as a complementary niche.
4. **Maintaining a strong capital** ratio well above the minimum 8% required under the trust deed, with the ratio standing at 16.4% as at 4Q26 (March 2026).
5. **A conservative but growing dividend track**, with a 25%–30% NPAT payout likely from FY26 (see Figure 25 for our dividend forecast). The conservative payout pairs with the 5% DRP discount—growth needs capital, and the DRP is the lowest-cost way to raise it without abandoning a paid dividend.

2.3 The Bridges Financial Services acquisition

In November 2024, GEN completed the NZ$7.4m acquisition of Bridges Financial Services Limited (Bridges), an insurance premium funding business. Bridges Financial Services was acquired separately from Bridges Insurance Services Limited, the broking arm of the former Bridges group, which was purchased by Howden, the London-based global insurance broker. The two entities maintain a referral agreement—Howden's broker network feeds premium funding opportunities to Bridges Financial Services, preserving the distribution relationship that underpinned the business pre-sale. Premium funding is a niche form of secured lending—the funder advances the insurance premium upfront and the customer repays in monthly instalments over the policy term. The loans carry inherently low risk—secured against the insurance policy itself, with the funded premium typically non-discretionary. For customers, the use of premium funding assists with cash flow management throughout the year.

The acquisition complements GEN's secured property lending business and diversifies both revenue and credit risk. While disclosure on the premium funding segment is limited, management has flagged it as a growth area, but we model a modest contribution over the medium term (<NZ$1m NPAT in our FY30 forecasts). The transaction is consistent with GEN's strategy of pursuing value-accretive bolt-on acquisitions that extend the lending platform. Premium funding is different from property-secured lending: shorter duration and high turnover are attractive, but funding mix and capital intensity become binding constraints at scale.

2.4 Financial performance

GEN has compounded solidly since listing—interest income has risen from NZ$0.4m in FY18 to NZ$21.5m in FY25, a +77% CAGR (Figure 26). NPAT lifted to NZ$2.8m in FY25 from near-breakeven earlier, on loan book growth and operating discipline. Expansion has come through conservative, property-secured lending with minimal credit losses—preserving capital and avoiding the earnings volatility typical of rapid loan book growth.

FY25 saw a strong period of growth, with total revenue +32% on higher interest income and lending expansion. NPAT grew +7% to NZ$2.8m despite sector-wide funding cost headwinds and Bridges acquisition costs. Total assets reached NZ$218.2m in FY25 (+34%) and NZ$280m at 4Q26, despite a tighter macro backdrop. The maiden ~NZ1.0 cps dividend for FY25 signalled confidence in earnings durability, with the conservative payout ratio and DRP reflecting a board that understands growth requires capital.

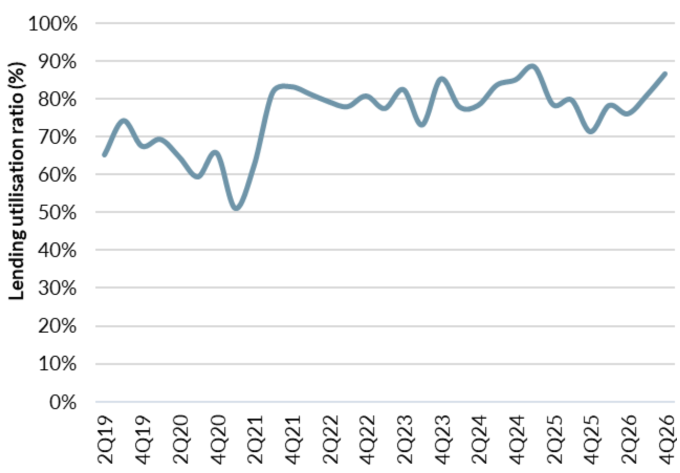
The lending efficiency ratio (Figure 27) and quarterly NPAT trajectory (Figure 28) illustrate how scale is beginning to translate into earnings.

Figure 26. GEN—abbreviated income statements (NZ$m)

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Interest income	0.4	1.5	2.8	3.5	5.6	10.6	16.5	21.5
Interest expense	(0.2)	(0.6)	(1.4)	(2.2)	(3.0)	(5.2)	(8.9)	(12.7)
Net interest income	**0.2**	**0.8**	**1.4**	**1.3**	**2.6**	**5.4**	**7.5**	**8.9**
Fee and commission income	0.1	0.3	0.6	0.9	1.9	3.0	0.5	0.9
Fee and commission expense	(0.0)	(0.1)	(0.1)	(0.2)	(0.5)	(0.8)	(0.0)	(0.0)
Net fee and commission income	0.1	0.2	0.4	0.7	1.4	2.2	0.5	0.9
Revenue from contracts with customers	0.2	0.3	0.2	0.3	0.5	0.1	0.1	0.2
Cost of sales	(0.2)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)
Gross profit from contracts with customers	**0.0**	**0.3**	**0.2**	**0.2**	**0.5**	**0.1**	**0.1**	**0.1**
Other income	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1
Net revenue (gross margin)	0.2	1.4	2.0	2.3	4.5	7.7	8.2	9.9
Total operating expenses	(0.6)	(1.8)	(1.8)	(2.2)	(2.6)	(4.4)	(4.6)	(6.0)
Profit before income tax expense	**(0.3)**	**(0.4)**	**0.2**	**0.0**	**1.9**	**3.3**	**3.6**	**3.9**
Income tax (expense) / benefit	0.0	(0.0)	(0.1)	(0.0)	(0.5)	(1.1)	(1.0)	(1.1)
Net profit after income tax expense	**(0.3)**	**(0.5)**	**0.1**	**(0.0)**	**1.3**	**2.3**	**2.6**	**2.8**
Earnings per share (cents per share)	(4.14)	(0.46)	0.08	0.05	0.78	0.98	0.72	3.09
Diluted earnings per share (cents per share)	(1.39)	(0.36)	0.08	0.05	0.78	0.98	0.72	3.09

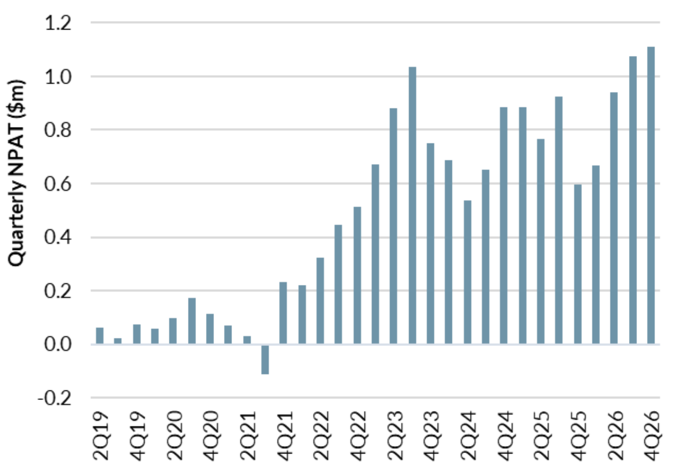
Source: Company, Forsyth Barr analysis

Figure 27. GEN—lending efficiency ratio (%)



Source: Company, Forsyth Barr analysis

Figure 28. GEN—quarterly NPAT ($m)



Source: Company, Forsyth Barr analysis

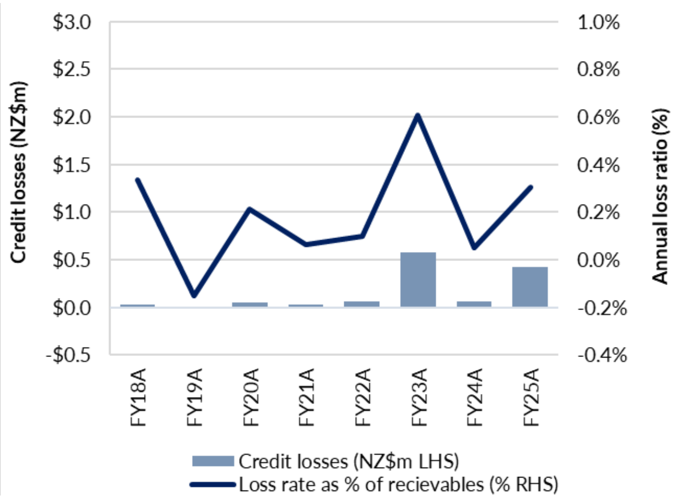
2.5 Credit quality and risk management

GEN's conservative credit and risk management sits at the centre of the investment thesis, given the deposit-funded model and market sensitivity to non-bank asset quality. Loans are typically secured by first mortgages over residential property under conservative LVR disciplines, providing downside protection if property values remain subdued or the labour market weakens, and supporting low realised credit losses through the cycle (Figure 29). Credit outcomes are also driven by origination discipline and ongoing monitoring, allowing GEN to scale without drifting up the risk curve. Figure 37 highlights that portfolio growth has broadened the spread of exposures by loan size, raising the importance of consistent risk processes as the book scales.

Simple loss ratio analysis understates the recovery economics of secured lending. Fee income and ancillary charges offset recovery costs where a loan enters workout but remains well secured, reducing loss severity. As at 31 March 2025, reported LVRs ranged from 27% to 74%, implying meaningful collateral buffers across the book. The question is therefore not whether losses occur, but whether security, LVR discipline, pricing, and fee structure keep outcomes contained as the book grows. Stress points sit in the labour market and property cycle—serviceability pressure (Figure 31), system credit stress (Figure 34), collateral liquidity via turnover (Figure 33) and HPI expectations (Figure 35), and migration trends (Figure 36). April Barfoot & Thompson data reinforces this—Auckland sales fell -18% year-on-year, inventory sat ~+4% above the prior year, and prices were only +2% year-on-year as price growth lags the modest sales recovery. The signal matters given GEN's Auckland concentration.

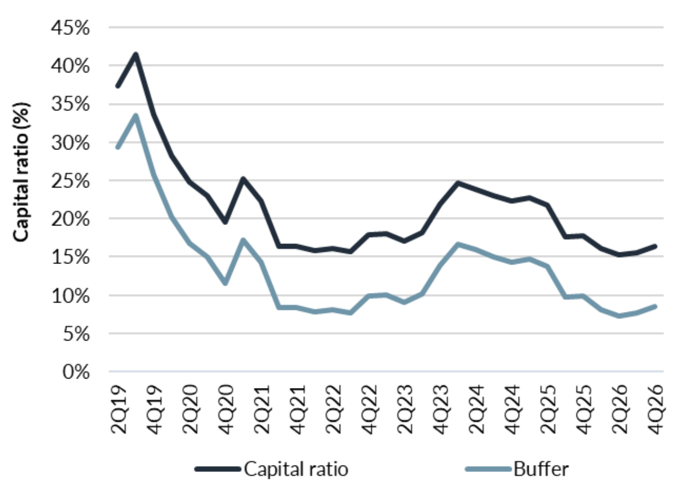
GEN holds a BB credit rating from Equifax (Positive Outlook, reaffirmed December 2025), implying Near Prime status. We consider that the DCS has likely diminished the practical benefit of any future upgrade to BB+.

Figure 29. GEN—credit quality and losses through cycle



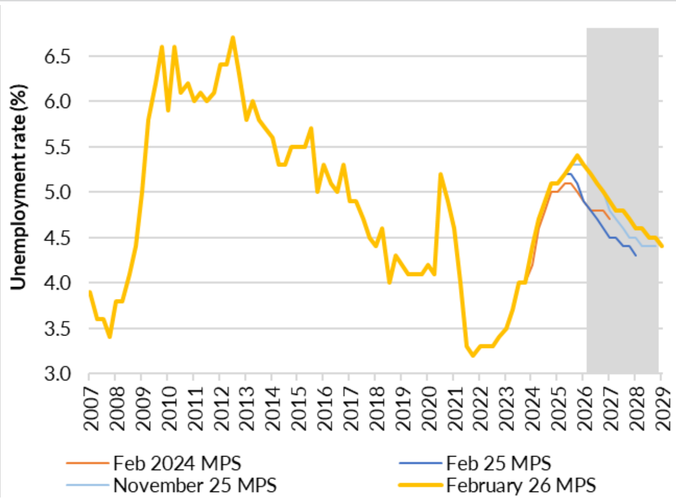
Source: Company, Forsyth Barr analysis

Figure 30. GEN—capital ratio and liquidity coverage



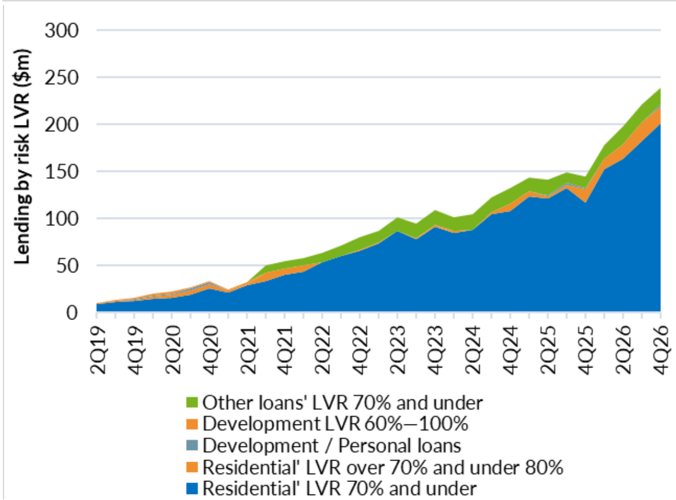
Source: Company, Forsyth Barr analysis

Figure 31. NZ unemployment (actual and RBNZ forecast)



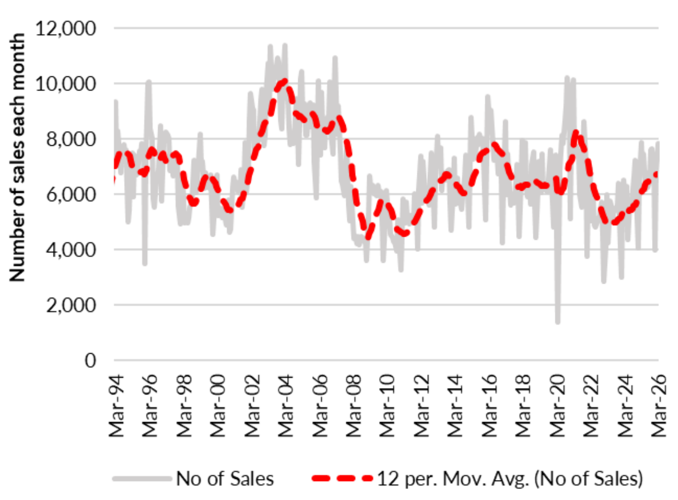
Source: RBNZ, Forsyth Barr analysis

Figure 32. GEN—lending by risk category



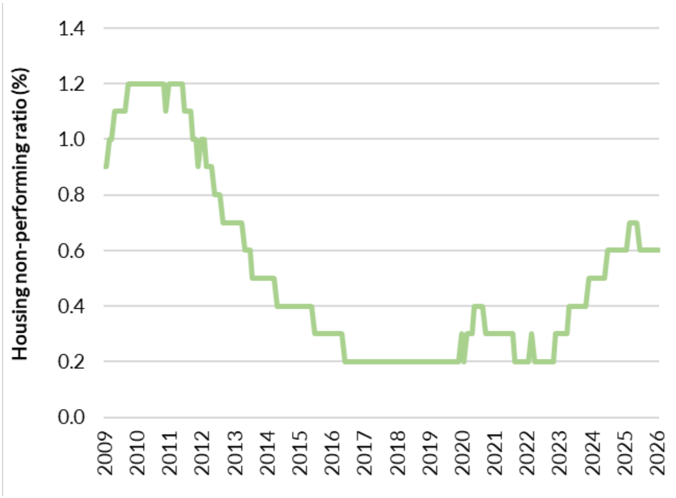
Source: Company, Forsyth Barr analysis

Figure 33. NZ housing turnover/number of house sales ('000)



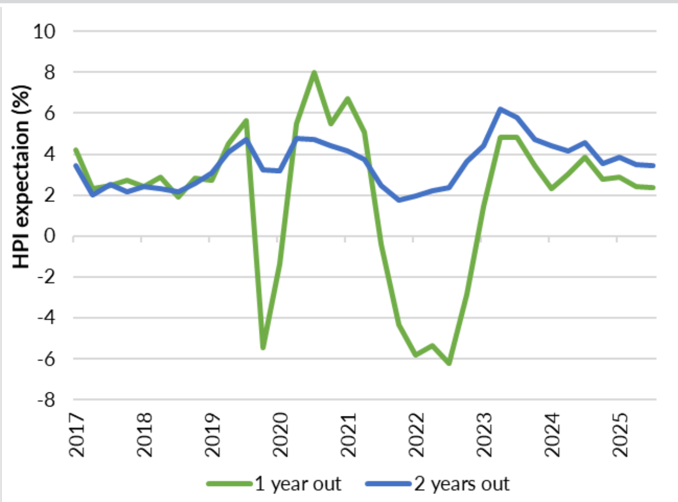
Source: RBNZ, Forsyth Barr analysis

Figure 34. NZ housing system non-performing loans ratio (%)



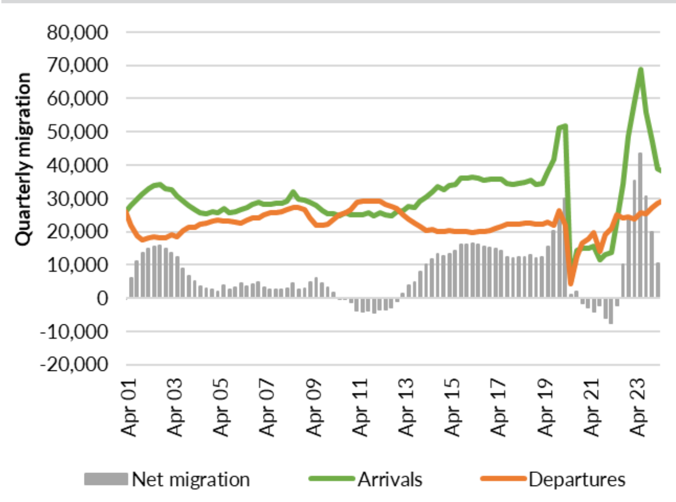
Source: RBNZ, Forsyth Barr analysis

Figure 35. House price expectations remain subdued



Source: RBNZ, Forsyth Barr analysis

Figure 36. NZ quarterly migration trends



Source: RBNZ, Forsyth Barr analysis

Figure 37. GEN—number of exposures by loan size

Loan size band	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Less than $100,000	7	1	–	–	–	–	1,558
$100,000 – $250,000	19	17	10	8	8	14	16
$250,000 – $500,000	11	25	31	23	15	19	16
$500,000 – $1,000,000	12	17	27	40	38	45	52
$1,000,000 – $1,500,000	2	8	6	9	16	18	15
$1,500,000 – $2,000,000	–	1	5	9	10	20	16
$2,000,000 – $2,500,000	–	–	1	4	10	3	6
$2,500,000 – $3,000,000	–	–	2	2	3	4	1
$3,000,000 – $3,500,000	–	–	–	1	1	–	2
$3,500,000 – $4,000,000	–	–	–	–	2	–	1
$4,000,000 – $4,500,000	–	–	–	–	–	1	6
$4,500,000 – $5,000,000	–	–	–	–	–	2	1
$5,000,000 – $5,500,000	–	–	–	–	–	–	–
$5,500,000 – $6,000,000	–	–	–	–	–	1	–
Total # of exposures	**51**	**69**	**82**	**96**	**103**	**127**	**1,690**

Source: Company, Forsyth Barr analysis. Note: FY25 'Less than $100,000' jump reflects inclusion of Bridges insurance premium funding exposures.

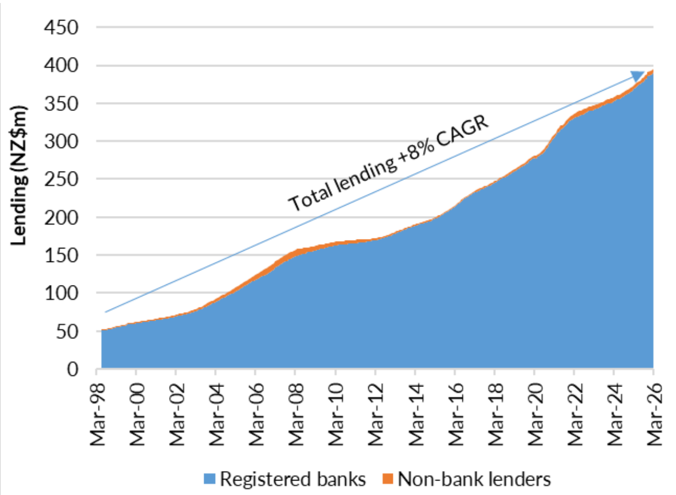
Section 3: Finance industry overview

3.1 New Zealand's lending sector

New Zealand's banking sector is dominated by the four major Australian-owned banks (ANZ, ASB, BNZ, Westpac) plus Kiwibank—which hold the vast majority of housing lending (Figures 38 and 42). Housing represents 64% of all NZ lending (Figure 40), with non-bank lending institutions (NBLIs)—encompassing NBDTs and non-deposit-taking finance companies—accounting for just 1.3% of housing credit. RBNZ data shows NBLIs held ~NZ$5.0bn in housing loans as at January 2026 (Figure 39)—a fraction of bank volumes, but concentrated in segments where bank risk settings are more restrictive. Most housing lending reprices within one to two years (Figure 41)—rate movements flow through to borrower demand quickly (Figure 44). The NBDT subsector operates under the Non-bank Deposit Takers Act 2013, regulated by the RBNZ across capital, governance, liquidity, and disclosure standards, transitioning towards the Deposit Takers Act 2023 (DTA)—a single regulatory regime for all deposit takers with full effect from 2028.

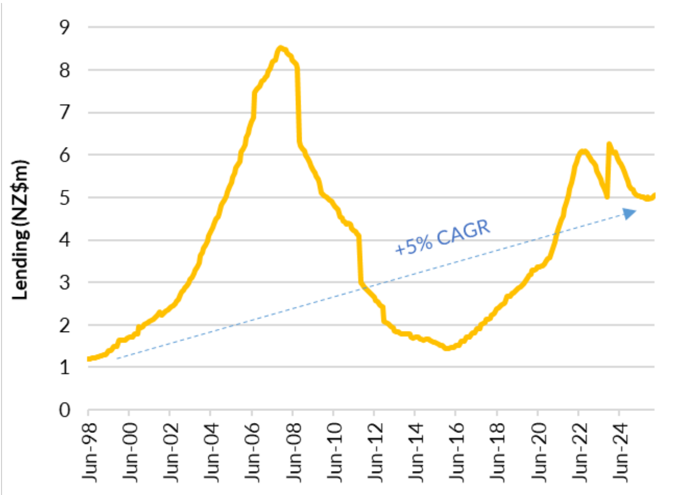
KPMG's 2024 FIPS captured 26 entities above NZ$75m in total assets—collectively NZ$19.4bn in assets (+7% year-on-year), ~NZ$15.4bn in lending. The sector fills credit needs banks do not serve: property development and bridging finance, motor vehicle lending, insurance premium funding, and consumer credit. Lending volumes continue to grow, but profitability is under pressure: bank NIM has compressed toward cyclical lows (Figure 43) and impaired asset charges have lifted from near-zero (Figure 45). The sector contracted sharply following the GFC, when more than 60 finance companies failed between 2006 and 2012—wiping out significant investor capital and creating a persistent trust deficit. It has since rebuilt under a more robust framework—licensing, enhanced capital and governance, and trustee oversight.

Figure 38. Total NZ system lending for housing (NZ$bn)



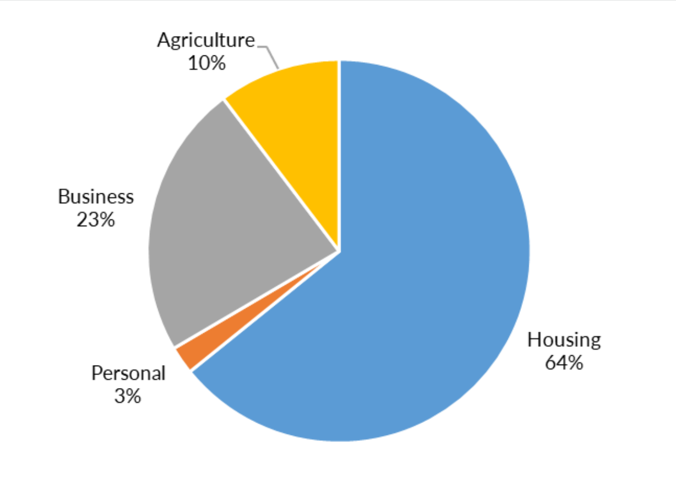
Source: RBNZ, Forsyth Barr analysis

Figure 39. Lending of non-bank lending institutions on housing



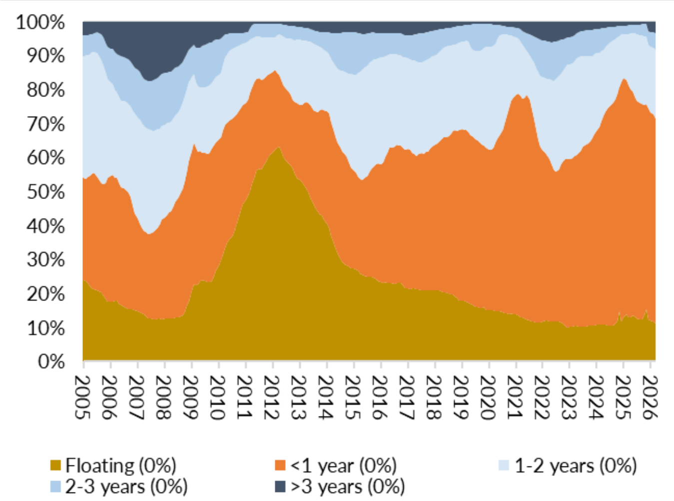
Source: RBNZ, Forsyth Barr analysis

Figure 40. NZ lending by sector



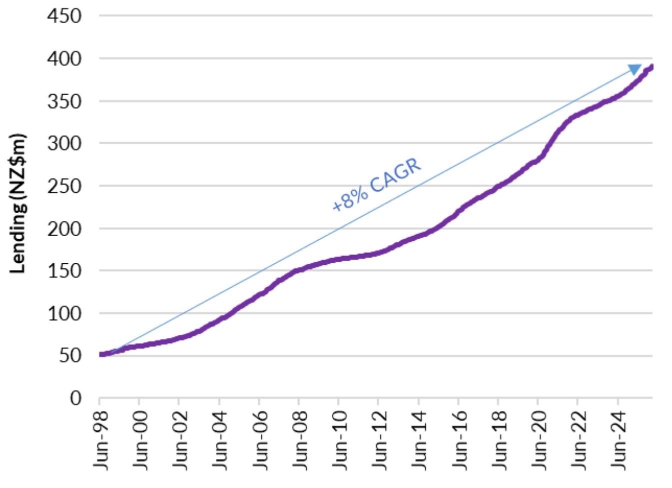
Source: RBNZ, Forsyth Barr analysis

Figure 41. Mix of mortgages and loan term



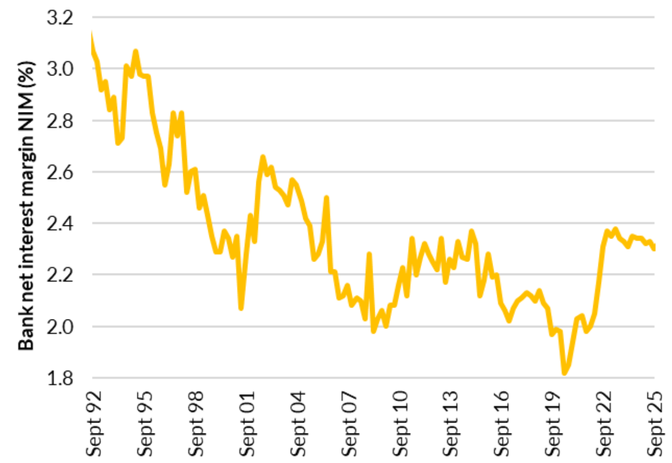
Source: RBNZ, Forsyth Barr analysis

Figure 42. Lending of NZ registered banks (NZ$bn)



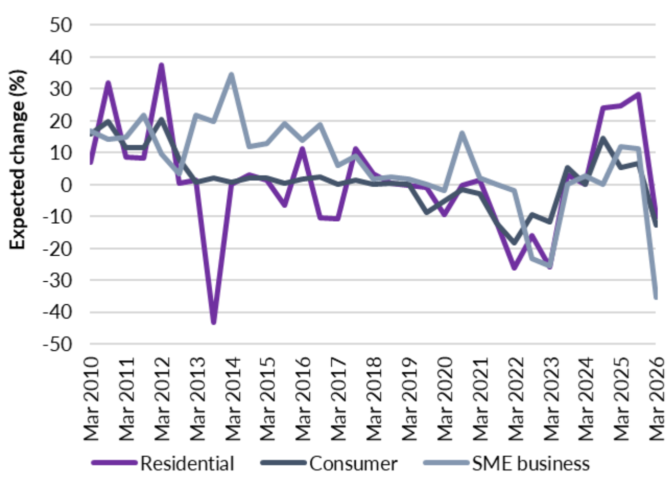
Source: RBNZ, Forsyth Barr analysis

Figure 43. NZ bank NIM (%)



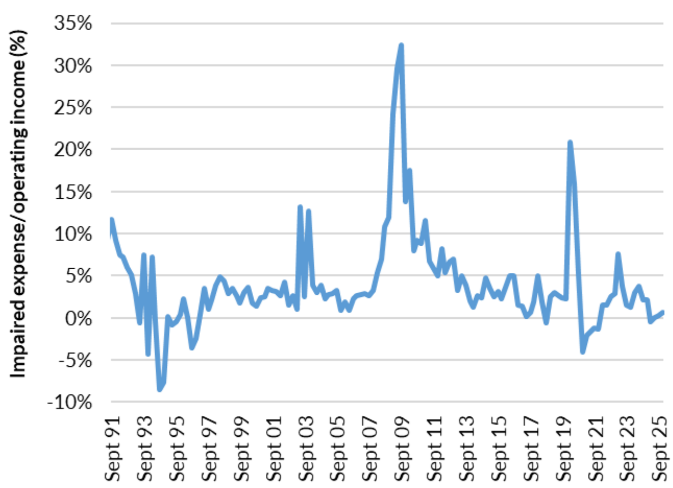
Source: RBNZ, Forsyth Barr analysis

Figure 44. Change in demand by loan types (six months)



Source: RBNZ, Forsyth Barr analysis

Figure 45. NZ bank impaired asset expense/income (%)



Source: RBNZ, Forsyth Barr analysis

3.2 The Depositor Compensation Scheme: a structural positive for NBDTs

The Depositor Compensation Scheme (DCS), live from 1 July 2025, represents the most significant structural change to the NZ non-bank sector since the post-GFC reforms. Established under the Deposit Takers Act 2023, the DCS protects eligible depositors for up to NZ$100,000 per depositor per licensed deposit taker in the event of failure, with the core scheme features set out in Figure 46. The scheme covers standard banking products—transaction accounts, savings accounts, notice accounts, and term deposits—and applies automatically to all existing and new protected deposits. It is funded by annual levies on deposit takers and administered by the RBNZ.

For well-capitalised NBDTs like General Finance, the DCS directly addresses the trust deficit that has constrained retail deposit growth since the GFC—Figure 49 shows the step-up in deposit momentum after 1 July 2025. For deposits up to NZ$100,000, the government-backed protection is now identical regardless of whether the deposit sits with a bank or an NBDT. This supports deposit-led growth at scale, and for the first time levels the playing field on depositor protection. GEN's own deposit trajectory supports the thesis—secured term deposits grew +52% year-on-year in 1H26, with momentum slowing in 2H26 to +3% over 1H26 levels (Figure 49).

The DCS rollout includes a risk-based levy framework, with Figure 47 setting out the key sequencing milestones. Deposit takers are assigned to risk categories (RC1 through RC4) based on prudential capital, liquidity, profitability, and asset quality indicators. The RBNZ has set a target to build a fund equal to 0.80% of all protected deposits over 20 years. A bank in the lowest risk category (RC1) pays ~NZ$37.10 per annum per NZ$100k of insured deposits, versus NZ$63.20 for an NBDT at the highest risk category (RC4)—a 70% differential. During the transitional period until full DTA licensing in 2027/28, credit unions, building societies, and registered charities receive a concessionary flat rate of 0.055%.

For NBDTs like General Finance, the levy cost as a proportion of net profit before tax has a sector median of ~3.7% according to the RBNZ's regulatory impact statement—meaningful but manageable for profitable operators. The DCS also includes a Crown backstop: Treasury's March 2024 consultation document confirmed that the Crown maintains a NZ$15bn liquidity buffer, positioning it to absorb costs exceeding the fund's capacity.

We view the DCS as a structural de-risking of the funding proposition. It improves depositor confidence and narrows the perceived safety gap for sub-NZ$100k balances (Figure 49), but deposit growth still depends on pricing, distribution, and relative bank competition. The DCS has structurally reduced the rate premium required to attract non-bank deposits. GEN's deposit rate spread to the bank median compressed sharply from ~158bp pre-DCS to a trough of ~25–30bp in late 2025, before bouncing back towards ~50–60bp (Figure 61). The spread is unlikely to fully revert to pre-DCS levels—depositor risk parity for sub-NZ$100k balances is permanent—but may drift towards 60–80bp, albeit materially better than the pre-DCS run-rate.

Figure 46. DCS coverage and deposit protection

Feature	Detail
Coverage limit	NZ$100,000 per depositor per deposit taker
Effective date	1 July 2025
Legislation	Deposit Takers Act 2023
Administered by	Reserve Bank of New Zealand
Applies to	Licensed deposit takers (banks and NBDTs)
Covered deposits	DCS-protected transaction/savings, term deposits
Not covered	Bonds/tradables, managed investments; FX accounts; scams/fraud/hacking
Activation	Automatic for eligible deposits, no opt in required
Funding	Levies on deposit takers, transitional flat rate to 30 June 2028, then risk-based
Crown backstop	Crown loan support if DCS fund is deficient (Treasury notes NZ$15bn buffer)
Target fund size	0.80% of all protected deposits, built over 20 years
NBDT implication	Perceived safety gap narrows, cap and exclusions remain

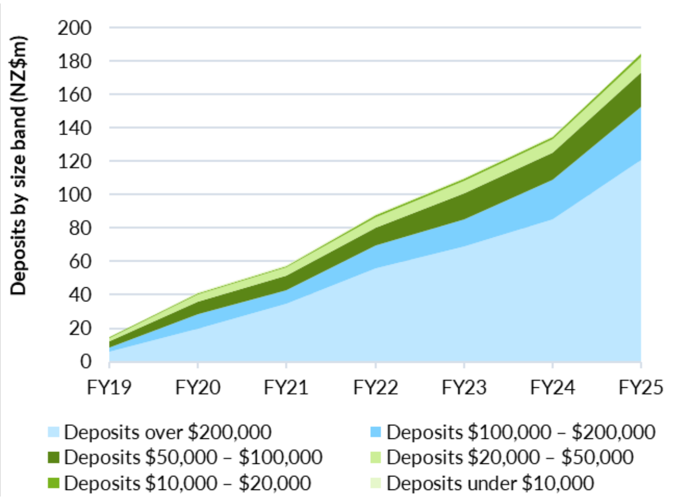
Source: RBNZ, Treasury, Forsyth Barr analysis

Figure 47. DCS timeline and implementation milestones

Date	Milestone
6 July 2023	Deposit Takers Act 2023 receives Royal assent
30 January 2025	Deposit Takers Regulations 2025 gazetted (commence 1 July 2025)
1 Apr 2025	DCS information-gathering powers commence
1 July 2025	DCS live: eligible protected deposits covered up to NZ$100,000 per depositor per deposit taker
Mid-2026	First annual levy invoice (in arrears), based on 2025–26 risk indicators
1 July 2025 to 30 June 2028	Transitional flat levy for credit unions, building societies and registered charities (non-banks): 0.055% (0.053% if lowest risk)
Jun–Sep 2026	Tranche 3 exposure drafts consulted on (including capital standard)
By 31 May 2027	DTA standards issued
Jun 2027	Licensing window for existing deposit takers
1 December 2028	DTA standards take effect, single prudential regime in force

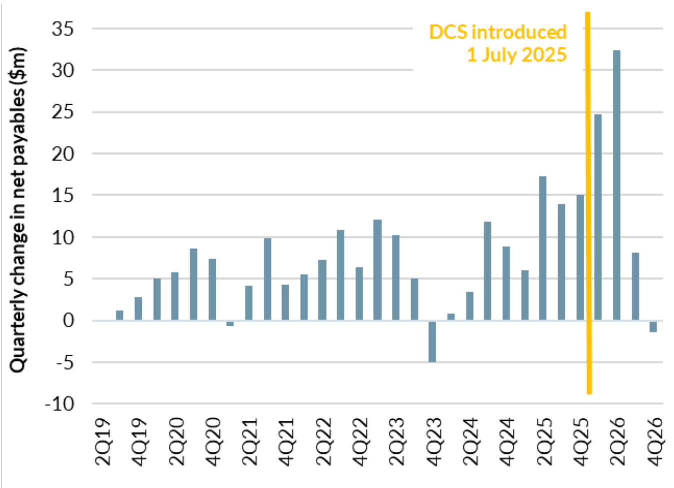
Source: RBNZ, Treasury, Forsyth Barr analysis

Figure 48. Profile of deposit holders (NZ$)



Source: Forsyth Barr analysis

Figure 49. Deposit growth before and after DCS



Source: Company, Forsyth Barr analysis

3.3 Interest rate environment and lending market outlook

The RBNZ delivered the apparent final rate cut of the current cycle in November 2025 and has since held the Official Cash Rate (OCR) steady at 2.25%. While interest rates were already expected to move higher before the end of 2026, OCR hike forecasts have been brought forward following the Middle East oil price shock.

Near-term inflation is forecast to reach 4.2% in the June 2026 quarter, above the top of the 1–3% target band, with fuel and input costs rising when inflation was already running at 3.1% year-on-year in the March 2026 quarter. Inflation expectations are lifting, firms are signalling cost pass-through, and wholesale rates have increased further. Retail bank mortgage and term deposit rates have therefore moved materially higher, even before the RBNZ has begun lifting the OCR (Figures 52 and 53).

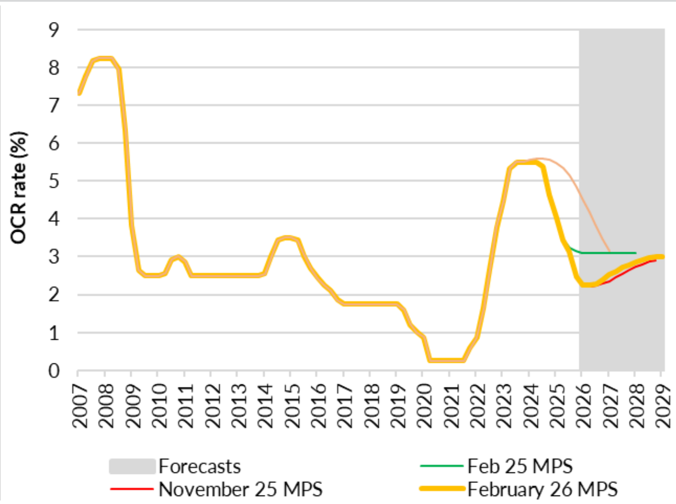
Market pricing now implies some chance of an OCR hike as soon as the 27 May 2026 rate decision, with the cash rate expected to return to at least 3% by the end of 2026. While borrowing costs remain below cycle peaks, the marginal stimulus from further rate relief has largely passed. Figure 44 shows the lift in demand has been uneven, with residential and SME lending recovering more strongly than consumer credit. A tougher macro backdrop is likely to create a near-term headwind, although the economy is still expected to improve into 2027, assuming a near-term resolution to the Middle East tensions.

The property market had shown signs of recovery heading into March, although recent evidence suggests a more cautious tone. Housing credit growth is running at ~6% year-on-year despite weak price action, while business credit growth has picked up to just above 4%. Firms' investment intentions pulled back in the latest NZIER QSBO, largely reflecting the Middle East shock and potentially reversible if geopolitical risk eases. Broader macro indicators still support a gradual recovery, with the BusinessNZ PMI stabilising above 50 (Figure 54) and average household income continuing to grow (Figure 55), supporting borrower demand and repayment capacity.

With the rate floor now likely passed and the next move higher, marginal borrowers may remain cautious. Two-year swap rates have lifted ~60bp since the start of the year (Figure 51), while fixed mortgage rates have also increased by ~60bp (Figure 52). For bridging or short-duration borrowers, the window of peak affordability has passed. The oil shock adds a second-order drag, compressing discretionary spending, weighing on consumer credit demand and reducing serviceability buffers in more cash-flow-sensitive segments.

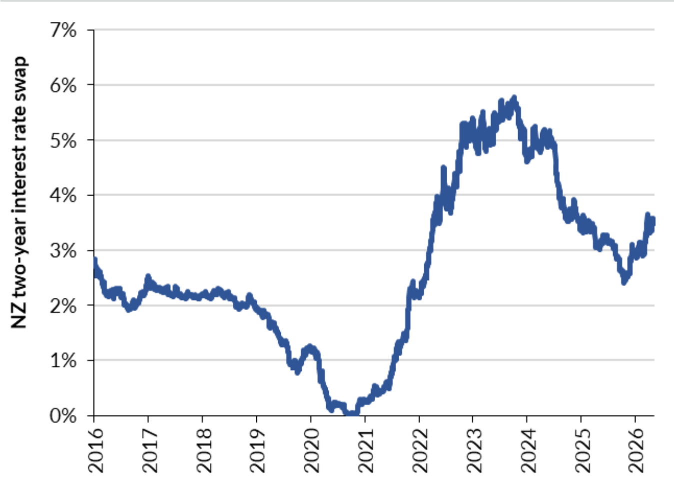
The rate environment presents practical challenges for NBDTs. The DCS will support depositor confidence and has likely helped deposit-funded NBDTs grow their funding bases since July 2025. The lending environment has become less supportive as rates have moved higher. Borrowing costs remain below cycle peaks, but the marginal stimulus from lower rates has passed, affordability has deteriorated, and borrower caution is likely to weigh on new lending volumes. This leaves NBDTs needing to price term deposits competitively as wholesale and retail rates rise, and the initial benefit of the DCS fades. Deposit books also tend to reprice faster than lending books, as most term deposits are taken out for six months or less, while lending yields typically reset over a one- to two-year refix cycle (Figures 41, 52 and 53). The DCS may reduce perceived depositor risk for eligible deposits, but it does not remove the need to pay competitive rates to attract funding. NIMs are therefore likely to remain under pressure, with the practical test being whether loan book growth can offset spread compression and allow absolute net interest income to keep rising through the transition.

Figure 50. NZ Official Cash Rate (OCR) and RBNZ forecasts



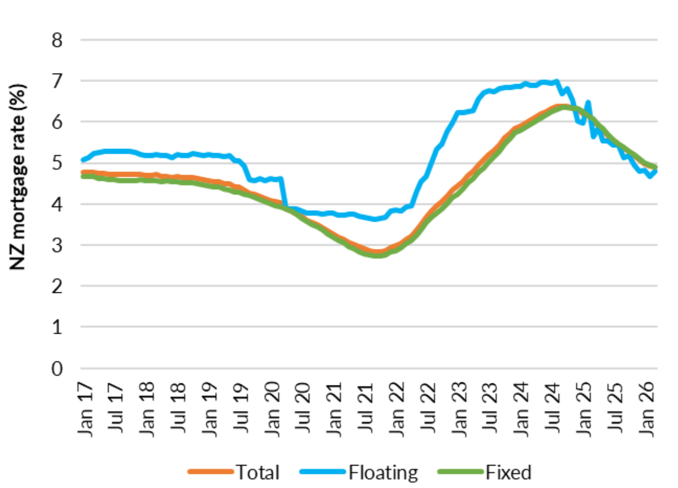
Source: Workspace, Forsyth Barr analysis

Figure 51. NZ two-year interest rate swap



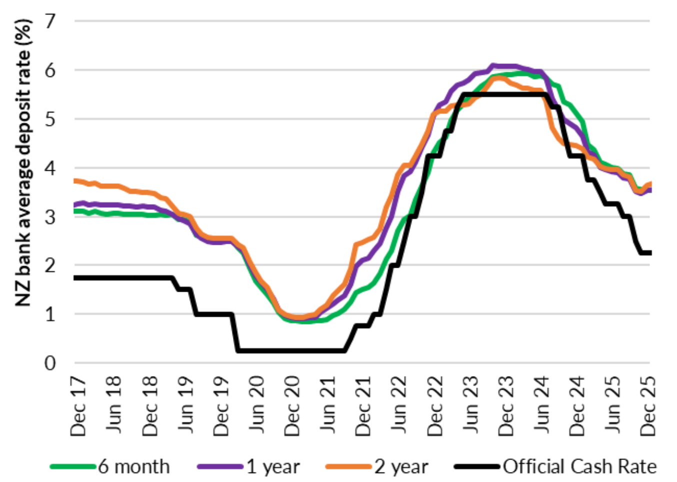
Source: Workspace, Forsyth Barr analysis

Figure 52. NZ bank mortgage rates



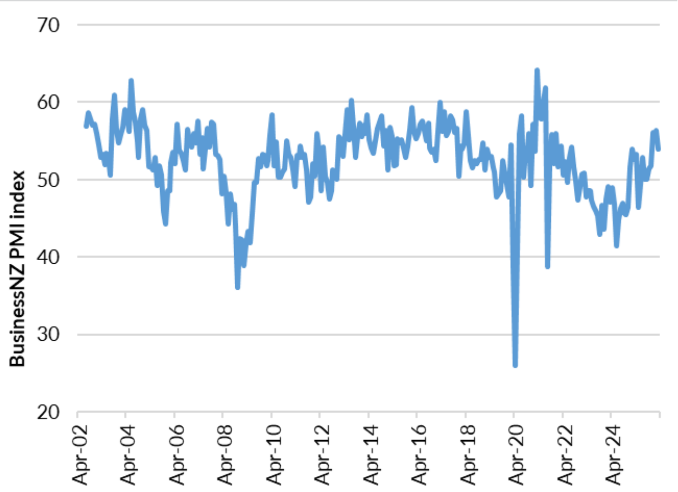
Source: RBNZ, Forsyth Barr analysis

Figure 53. Average term deposit rates at NZ banks by period



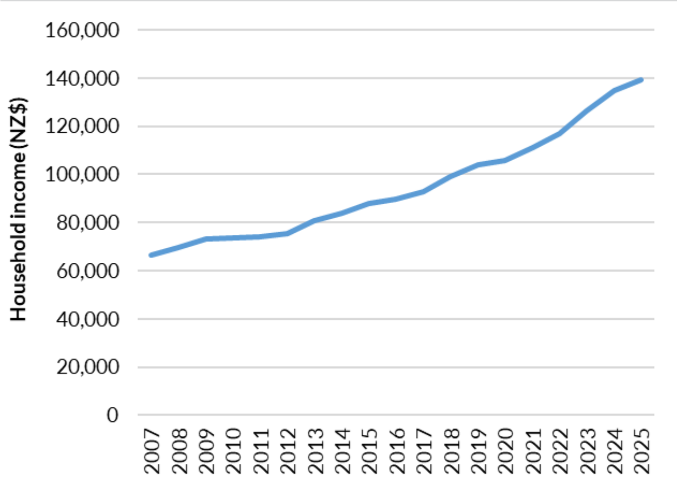
Source: RBNZ, Forsyth Barr analysis

Figure 54. BNZ—BusinessNZ PMI (seasonally adjusted)



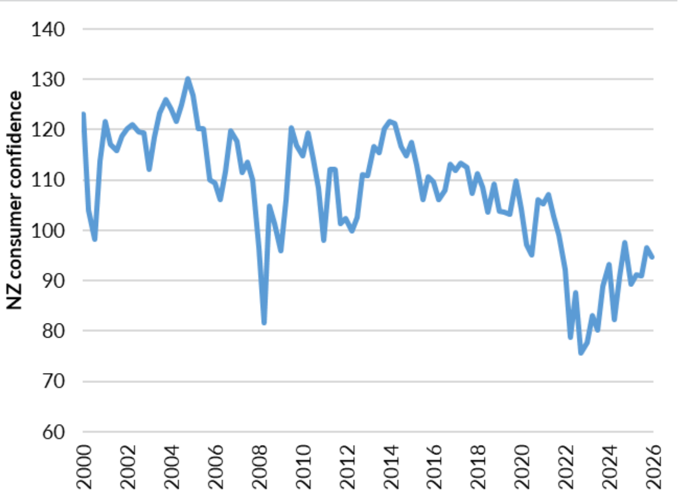
Source: BNZ, BusinessNZ, Forsyth Barr analysis

Figure 55. Average annual household income



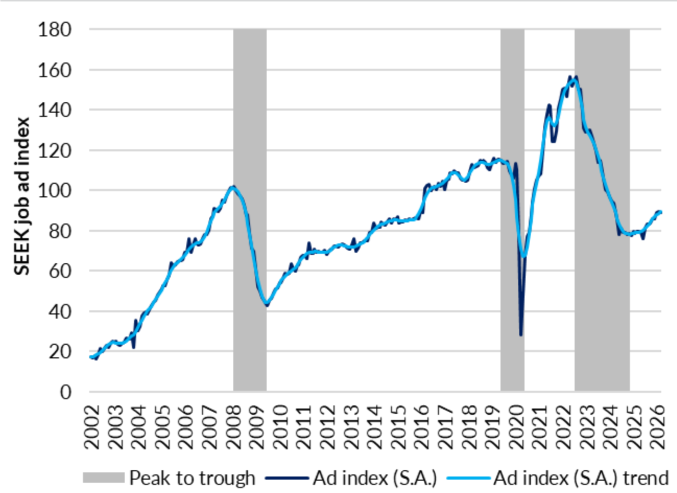
Source: Stats NZ, Forsyth Barr analysis

Figure 56. NZ consumer confidence continues to rebound



Source: Westpac, Forsyth Barr analysis

Figure 57. SEEK seasonally adjusted job ad index recovering

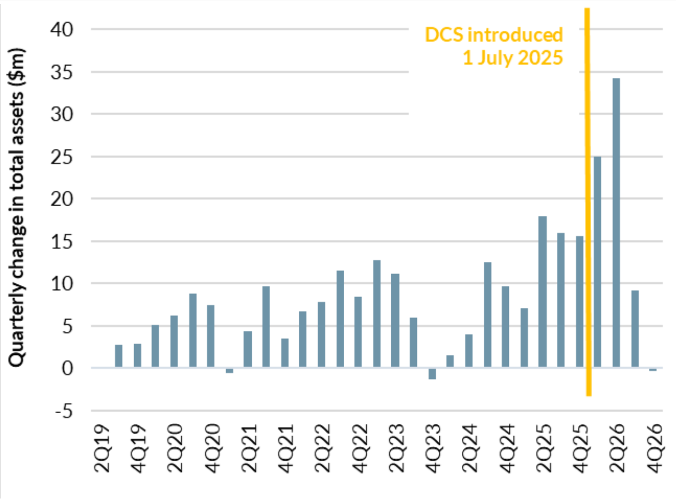


Source: SEEK, Forsyth Barr analysis

3.4 Competitive landscape

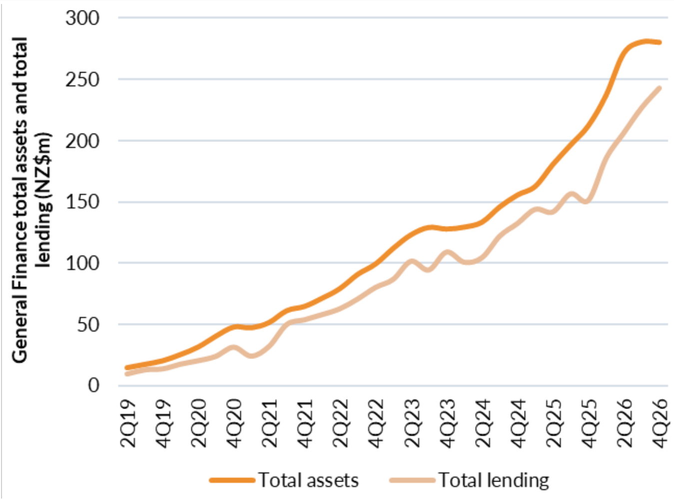
GEN competes across three distinct markets: (a) deposits, (b) property-secured lending, and (c) insurance premium funding, each with different competitive dynamics, barriers to entry, and growth drivers. GEN's positioning rests on four pillars: (1) a deposit-funded balance sheet supporting consistent asset growth and an acceleration in quarterly inflows post-DCS (Figures 58 and 59), (2) conservative credit settings with 83% of property loans at sub-70% LVR, (3) NZX listing creating a governance and transparency premium, and (4) the Bridges platform broadening product breadth into insurance premium funding (IPF).

Figure 58. GEN—Quarterly change in total assets (NZ$m)



Source: Company, Forsyth Barr analysis

Figure 59. GEN total assets and total lending (NZ$m)



Source: Company, Forsyth Barr analysis

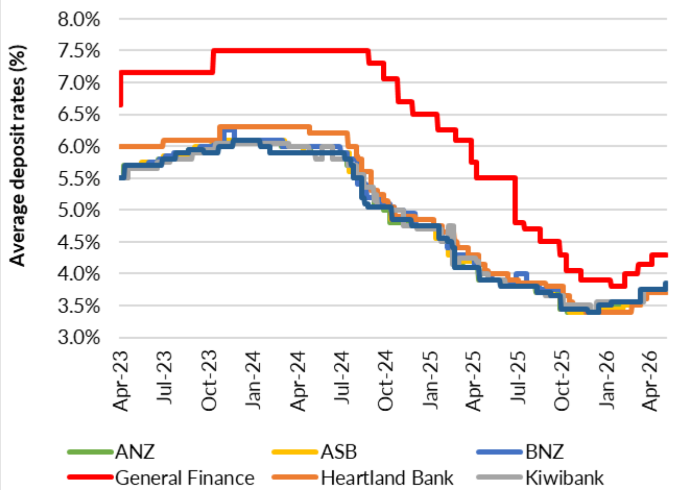
a) Deposit market

GEN's primary funding source is retail secured term deposits, placing it in direct competition with every licensed deposit taker in New Zealand—from the five major banks through to smaller NBDTs and building societies. The deposit market is ~NZ$250bn in aggregate, overwhelmingly concentrated among the majors. For an NBDT operating at GEN's scale, the competitive challenge is not volume—it is cost.

Pre-DCS, non-bank deposit takers typically paid 100–200bp above bank rates to compensate depositors for perceived credit risk (Figure 61). The DCS narrowed that gap by equalising protection up to NZ$100,000 per depositor. Figure 60 shows GEN's deposit rate converging toward the major bank cluster from mid-2025, with Figure 61 confirming the spread to the bank median compressed from ~158bp pre-DCS to a launch-window trough of ~25–30bp in late 2025, before bouncing back toward ~50–60bp as the initial depositor migration completed. The structural shift is durable—GEN now competes for sub-NZ$100k deposits at a materially narrower spread than pre-DCS—but the trough was a transitional outlier, not the new run-rate.

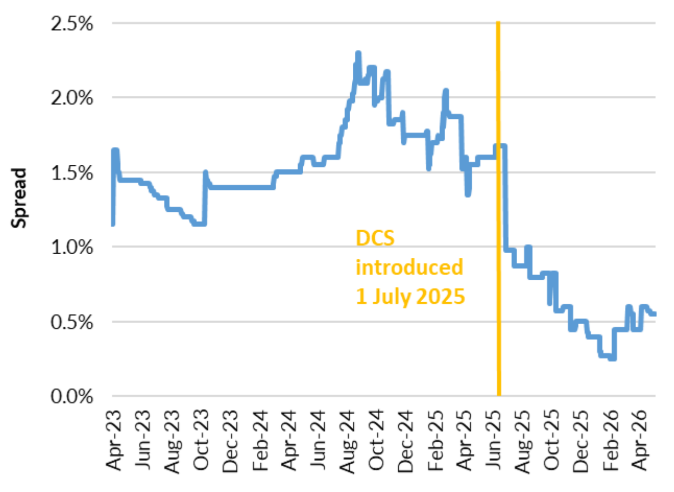
The competitive dynamics differ by depositor segment. For balances below NZ$100,000—where DCS protection is identical across all licensed deposit takers—GEN competes less on headline rate and more on service, digital access, and convenience. For balances above the threshold, depositors remain exposed to institutional credit risk, and the Equifax credit rating (BB with Positive Outlook, reaffirmed December 2025) and NZX listing become meaningful differentiators against unlisted NBDTs. Competition among NBDTs themselves has intensified now that all DCS-eligible deposit takers share the same protection, pulling deposit spreads back up from the post-launch trough as smaller operators that previously struggled to attract deposits now access the same government-backed guarantee. GEN's edge in this environment is threefold: its NZX governance and transparency premium, a capital ratio of 16.4% (double the 8% trust deed minimum), and a growing deposit track record that builds depositor familiarity over time.

Figure 60. Average deposit rates (%)



Source: Interest.co.nz, Forsyth Barr analysis

Figure 61. GEN—12-month deposit rate spread to bank median



Source: Interest.co.nz, Forsyth Barr analysis

b) Property-secured lending

Property-secured lending in New Zealand is dominated by the major trading banks—ANZ, ASB, BNZ, Westpac, and Kiwibank—holding the majority of residential and commercial mortgage assets. GEN does not compete in mainstream owner-occupier lending—it operates in shorter-duration, higher-yielding segments where speed, certainty of execution, and tolerance for non-standard documentation are valued: bridging, investment property, and asset-rich lending. This segment expands when bank credit settings tighten but remains sensitive to the property cycle and funding costs.

The non-bank property lending segment captured by the KPMG FIPS is ~NZ$19.4bn across 26 entities, though this includes motor vehicle finance, consumer credit, and other lending alongside property-secured books. Within the property-focused subset, GEN competes against a mix of listed and unlisted NBDTs, wholesale-funded specialist lenders, and first mortgage trusts—each with different funding models and risk appetites (Figure 62).

Heartland Group Holdings (HGH.NZ) remains the most relevant listed comparator, though its mix has shifted toward reverse mortgages and motor vehicle finance—reducing the direct overlap with GEN's bridging and investment property focus. Its 1H26 result reported NIM of 3.9%, underlying ROE of 7.3%, and cost-to-income of 54.4%—anchors for GEN's metrics as it scales (Figure 62).

Avanti Finance is NZ's second-largest non-bank lender by total assets (~NZ$3.0bn per company disclosure) and competes directly across property-backed lending at materially larger scale. Avanti is wholesale-funded rather than deposit-funded, giving it different margin dynamics but also different funding risks. The deposit-funded NBDTs sit closer to GEN in scale and funding structure: Christian Savings (~NZ$336m), Xceda Finance (~NZ$182m), Gold Band Finance (~NZ$69m), and Mutual Credit Finance (~NZ$84m)—all run retail deposit franchises, are DCS-eligible, and lend against property security. MCF's FY25 ROE of 26.9% demonstrates the earnings leverage a mature deposit-funded NBDT delivers for a lending franchise (Figure 62). First Mortgage Trust (~NZ$2.3bn) is the largest non-NBDT property lender, operating as a managed investment scheme rather than a deposit taker—its unit-holder funding model gives it stable capital but limits its ability to scale deposit-led growth in the way GEN can under the DCS.

Competitive dynamics are shifting. The DCS narrows the confidence gap between banks and NBDTs, giving deposit-funded lenders like GEN a potential funding advantage over wholesale-funded peers—most visibly when wholesale spreads widen in credit market volatility. At the same time, banks are re-entering segments they vacated during the tightening cycle, compressing pricing in higher-quality secured lending. GEN's differentiation rests on speed (faster approvals than banks for non-standard applications), security-led credit assessment (willingness to lend against strong collateral where bank serviceability models create friction), and capital discipline (conservative LVR settings to protect loss outcomes through the cycle).

Figure 62. NZ property-secured lenders competitive set (as of latest available or estimate)

	General Capital (GEN.NZ)	Heartland Group (HGH.NZ/ HGH.AX)	Avanti Finance (Unlisted)	First Mortgage Trust	Geneva Finance (GFL.NZ)	Basecorp Finance (Unlisted)	Christian Savings (Unlisted)	Xceda Finance (Unlisted)	Gold Band Finance (Unlisted)	Mutual Credit Finance (Unlisted)
Scale/ structure										
Total assets	280	8,809	~3,000+	2,316	212	~1,000	336	182	69	84
Receivables	243	7,240	~3,000	~1,779	117	~1,000	269	126	51	66
Entity type	NBDT	Registered bank (NZ-domiciled)	Non-bank finance company	MIS (Managed Investment Scheme)	Non-bank finance company	Non-bank finance company	NBDT (not-for-profit)	NBDT	NBDT	NBDT
Funding model	Retail deposits + equity	Deposits + wholesale	Wholesale + securitisation	Unit holder funds	Retail deposits + wholesale	Wholesale securitisation + bank warehouse	Retail deposits + equity	Retail deposits + equity	Retail deposits + equity	Retail deposits + equity
DCS eligible	✓	✓ (bank)	✗	✗	✗	✗	✓	✓	✓	✓
NZX listed	✓	✓ NZX + ASX	✗	✗	✗ (USX)	✗	✗	✗	✗	✗
Financials										
NIM (%)	4.7%	3.9%	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	5.8%
ROE (%)	9.6%	7.3%	n.d.	n.d.	11.2%	n.d.	9.7%	11.2%	9.5%	26.9%
Cost-to-income (%)	62.0%	54.4%	n.d.	n.d.	n.d.	n.d.	52.5%	68.5%	46.6%	35.0%
Capital (%)	16.4%	16.5%	n.d.	n.d.	n.d.	n.d.	14.0%	14.5%	22.0%	13.1%
Asset growth	34.0%	1.9%	n.d.	n.d.	8.0%	n.d.	6.6%	45.1%	33.6%	21.6%
Lending focus										
Primary segments	Bridging, mortgage & investment property	Reverse mortgages, motor finance, rural, livestock, business	Home loans (specialist), auto finance, personal loans	First mortgage pool (diversified property)	Motor vehicle finance, personal loans, insurance	Residential & commercial first mortgages	Property lending to churches & charities	Property investment, bridging mortgages, business finance	Business, property, personal, bridging	Property, business, gaming sector
LVR discipline	~83% of lending exposure ≤70% LVR;	Reverse: age-based max LVR; WA current LVR ~25%	Moderate	First mortgage only	Secured by vehicles	Conservative	Conservative (church security)	Moderate (specialist lending)	Moderate	Avg LVR 68% (Mar25)
Geographic focus	Auckland / NZ-wide	NZ + Australia	NZ-wide	NZ-wide	NZ + Tonga	NZ-wide	NZ-wide	NZ-wide + AU subsidiary	South Island (HQ Christchurch)	Canterbury concentration
Positioning										
Key differentiator	Speed, DCS deposit franchise, NZX governance	Scale, dual-market (NZ+AU), bank licence	Scale, wholesale funding, broad product set	Stable unit holder funding, first mortgage security	Diversified product set (incl. insurance)	Scale, adviser distribution, 27-year track record, fast turnaround (24–48hrs)	Not-for-profit mission-driven BB+ rating (Fitch)	NBDT licence, retail deposit base, B+ (Equifax)	South Island focus, BB- rating (Equifax), 40-year history	Long history (since 1956), B+ rating (Equifax), high ROE
Key vulnerability	Small scale, NIM pressure	AU exposure, reverse mortgage concentration, impairments	Unlisted, no DCS, wholesale funding risk	Non-deposit taker, no DCS benefit, unit holder redemption risk	Small scale, lower growth trajectory	Wholesale-funded, no DCS benefit, unlisted, no deposit franchise	Narrow customer base (churches), sub-scale, property-heavy	Sub-scale, limited product set, small deposit franchise	Sub-scale, South Island concentration, limited diversity	Canterbury concentration; high proportion of non-amortising loans, second mortgages

Source: Company reports and websites, RBNZ, KPMG FIPS, Forsyth Barr estimates. Data as at most recent reporting period. n.d. = not disclosed. * Underlying ROE. Note: GEN, HGH, and GFL report at the holding-company level, whereas other peers report operating-company only, making totals and ratios not strictly like-for-like.

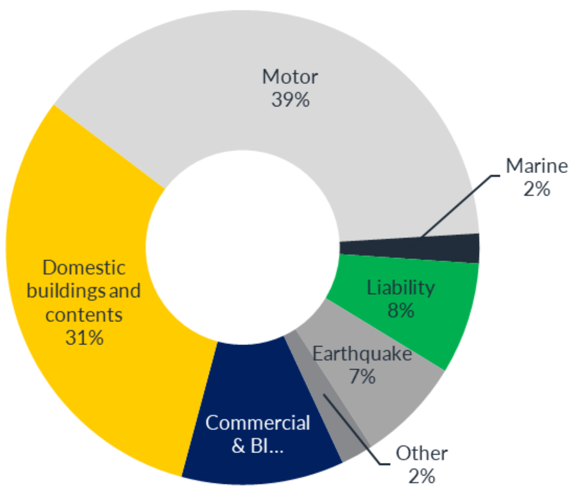
c) Insurance premium funding

The November 2024 acquisition of Bridges Financial Services broadens GEN into insurance premium funding. The NZ premium funding market is relationship-driven and broker-distributed, with market structure best viewed through distribution channels rather than line-of-business splits, which are not consistently observable from public disclosures (Figure 63). Premium funding is a niche form of secured lending where the funder advances an insurance premium upfront and the customer repays in monthly instalments over the policy term. Loss outcomes are typically low because cover can be cancelled and unearned premium refunded if arrears persist, but the product remains operationally intensive and is governed by CCCFA settings that limit default-fee flexibility.

Hunter Premium Funding, part of Steadfast Group (SDF.ASX), is an established Australasian participant in premium funding with deep broker distribution. Hunter's competitive advantage is broker distribution through the Steadfast network, which provides embedded access to premium flow relative to standalone funders. Arteva Funding is another established participant, operating through direct broker relationships and skewed toward commercial and SME-oriented policies. Beyond these two, the market fragments into a small number of independent providers and some broker-owned funding arrangements (Figure 65).

While disclosure is light, Bridges sits toward the smaller end of this market with distribution via Howden, and an earnings stream that diversifies outcomes away from property-linked credit. Market growth is linked to premium inflation, broker penetration, and the proportion of SMEs electing to fund rather than pay upfront—all of which have secular tailwinds as insurance costs rise and SME cash flow management becomes more active. The competitive barrier to entry is broker relationships—premium funding is sold through insurance brokers, not direct to customers. Figure 64 sets out our estimate of the scale and structure of GEN's premium funding book.

Figure 63. NZ's insurance landscape (2025)



Source: ICNZ, Forsyth Barr analysis

Figure 64. GEN—current premium funding book assumptions

Section	Value	Comment
Premium funding	NZ$8m (est.)	FB estimate of balance
Book loan count	1,690 1,558 132	FY25 total by number (all) Insurance (est.) Property (est.)
Average exposure estimate	NZ$5,135 NZ$1.8m	= NZ$8m ÷ 1,558 (insurance) = NZ$235m ÷ 132 (property)
Insurance lending mechanics	Up to 12 months	Typical loan duration short tenor reduces duration risk
Insurance lending loss mitigation	Cancellation + unearned premium refund	Limits loss severity

Source: Forsyth Barr analysis

Figure 65. NZ premium funding competitive landscape

	Hunter Premium Funding	Arteva Funding	Bridges Financial Services (GEN)	Other independents
Ownership and scale				
Parent / ownership	Steadfast Group (SDF.ASX)	Bravas Group (Pemba Capital)	General Capital (GEN.NZ)	Various
Founded	1977 (as Hunter since 1992)	1985 / 1992 (merged 2021)	1999	Various
Geographic coverage	Australia & New Zealand	Australia & New Zealand	New Zealand	NZ (mostly)
Est. clients served p.a.	~90,000 (AU + NZ combined)	~130,000 (AU + NZ combined)	n.d.	n.d.
Est. broker partners	Large (via Steadfast network)	~1,200 (AU + NZ combined)	Growing (NZ only)	Limited
Staff	~60	n.d.	Small team	n.d.
Market position				
Est. NZ market position	Market leader	Second tier	Emerging	Niche
Est. NZ market share	Dominant	Meaningful	Estimated <5% share	Fragmented
NZX / ASX listed	✓ (via SDF.ASX)	✗	✓ (via GEN.NZ)	✗
Product and distribution				
Key segments funded	All segments—motor, domestic, commercial, liability, marine	Commercial, liability, motor, domestic	Motor, domestic, commercial	Varies
Domestic / personal lines	✓	✓	✓	Limited
Commercial lines	✓	✓	✓	✓
Distribution model	Embedded via Steadfast broker network	Direct broker relationships; PF LIVE platform	Broker relationships; growing platform	Direct / broker
Technology platform	Established	PF LIVE (launched 2021)	Developing	Basic
Competitive positioning				
Key differentiator	Scale, Steadfast network access, 45+ year track record	Independent, technology-led, backed by Bravas/ Pemba Capital	DCS deposit funding, NZX governance, GEN platform synergies	Niche / local relationships
Key vulnerability	NZ is secondary market to AU; embedded model limits flexibility	AU-centric; NZ is secondary focus	Small scale; early-stage integration; no AU presence	Scale constraints; limited technology; funding access
Barriers to entry for competitors	Steadfast network access is exclusive and hard to replicate	Scale, technology platform, Bravas backing	Market access depends on broker relationships, but Bridges' current scale does not yet create a high barrier	Very low

Source: Company reports, ICNZ, Steadfast Group (SDF.ASX) annual report, Forsyth Barr analysis.

3.5 Regulatory environment

The RBNZ is moving towards enhanced prudential standards for NBDTs, and Figure 47 sets out the sequencing and milestones for funding, capital, and compliance planning. Increased regulation adds compliance costs but also raises barriers to entry and enhances sector credibility. On balance, the evolving framework is a net positive for well-capitalised operators. Should GEN pursue bank registration over the medium term—plausible within three to five years—the requirements step up materially under the DTA: Basel III capital ratios, liquidity coverage ratios, ICAAP, and enhanced fit-and-proper standards. The pathway is demanding but navigable, with a broader funding base, enhanced market credibility, and a lower cost of capital as the reward. The regulatory environment has evolved materially since the GFC-era finance company failures (more than 60 between 2006 and 2012), which prompted comprehensive reforms. As a licensed NBDT, General Finance operates under a substantial body of regulation:

- The Non-bank Deposit Takers Act 2013, which established the licensing framework administered by the RBNZ, imposing minimum standards for governance, risk management, and capital adequacy on all deposit-taking entities outside the registered banking system.
- The Deposit Takers Act 2023, which will replace the NBDT Act and establish a single prudential regime across all deposit takers from 1 December 2028, with standards covering capital, liquidity, governance, risk management, and disclosure.
- The Financial Markets Conduct Act 2013 (FMCA), which governs the offer of financial products to the public, including term deposits, and imposes ongoing disclosure obligations via the Disclose Register. General Finance is required to publish quarterly unaudited reports and maintain a current product disclosure statement.
- The Financial Markets (Conduct of Institutions) Amendment Act 2022 (CoFI), in force from 31 March 2025, which requires licensed deposit takers and insurers to maintain a fair-conduct programme covering customer treatment, complaints handling, and product oversight.
- The Reserve Bank of New Zealand Act 2021, which restructured RBNZ governance and formalised its financial stability mandate, supporting more active prudential supervision of all licensed deposit takers.
- Trust deed requirements, with General Finance operating under a trust deed supervised by Covenant Trustee Services. The trust deed imposes a minimum capital ratio of 8%, well below GEN's 16.4% 4Q26 (March 2026) capital position, alongside restrictions on related-party exposures, concentration limits, and liquidity requirements.
- The Depositor Compensation Scheme (DCS), which came into effect on 1 July 2025, protecting eligible deposits up to NZ$100,000 per depositor. Participation requires payment of an annual levy and compliance with enhanced prudential reporting, but provides a material competitive benefit in attracting retail deposits.
- The Credit Contracts and Consumer Finance Act 2003 (CCCFA), which governs consumer credit contracts including residential property-secured lending and insurance premium funding, imposing responsible lending, disclosure, and pricing-related obligations.
- The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT), which imposes customer due diligence, transaction monitoring, and suspicious activity reporting obligations on all financial institutions, including NBDTs.

3.6 Open banking—competitive headwind or registration pathway?

NZ's open banking regime went live on 1 December 2025 (link) for ANZ, ASB, BNZ, and Westpac, with Kiwibank phasing in through 2026 and other deposit takers—including NBDTs like GEN—able to opt in voluntarily. In April 2026 (link) the Government confirmed the regime will extend to business banking channels from June 2027, with large corporates excluded given limited international demand. For GEN the near-term operational impact is limited, but the medium-term competitive implications may be important.

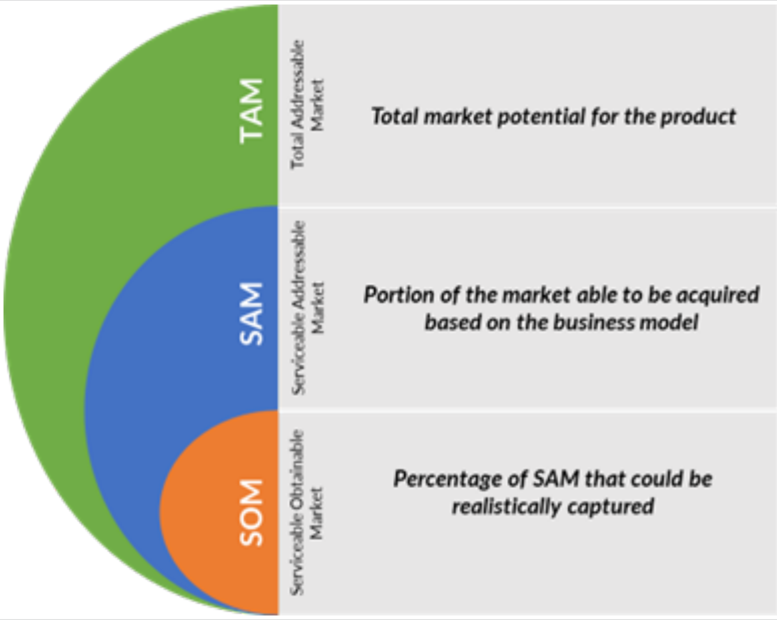
Open banking compresses two of GEN's edges. Lower deposit switching costs will potentially make retail term deposit retention harder—depositors will compare and move funds more readily, eroding inertia that has historically held balances at small NBDTs despite headline rate differentials. Loan comparison and onboarding tools standardise the borrower experience and weaken speed of approval as a differentiator. The major banks retain structural pricing power on prime customers, and fintech-led comparison will push pricing toward bank rates in segments where GEN earns a premium. On balance, the implications are neutral to negative for a deposit-funded NBDT at GEN's scale.

The longer-term consideration is whether participating in open banking supports a future pathway to bank registration. The operational maturity required—API integration, data security, customer authentication—is a starting point, but bank registration under the DTA raises the bar materially on capital, liquidity, systems assurance, and supervisory engagement. Bank licensing is a multi-year, capital-intensive process, and the marginal cost of compliance scales steeply through the transition. Open banking does not shorten that path or reduce its cost.

Section 4: Large addressable market with meaningful runway

The lending markets GEN operates in are substantial, with non-bank segments positioned to outgrow system credit as DCS-supported deposit confidence expands funding capacity. GEN's 4Q26 loan book of ~NZ$243m is small relative to NZ's mortgage stock and the commercial gross written premium (GWP) insurance pool, so the question is not size, but how much is realistically accessible to a deposit-funded non-bank lender given GEN's credit settings, product focus, and distribution model. Following the November 2024 acquisition of Bridges Financial Services, GEN now participates across two distinct lending pools: property-secured lending and insurance premium funding. We frame this opportunity using a three-stage TAM/SAM/SOM framework (Figure 66), which moves from total market pools to the subset realistically serviceable by a deposit-funded non-bank model, then to an obtainable share consistent with competitive structure. The framework is intended to describe growth runway rather than imply that GEN is competing for system-level mortgage share.

Figure 66. Our TAM/SAM/SOM framework



Source: Forsyth Barr analysis

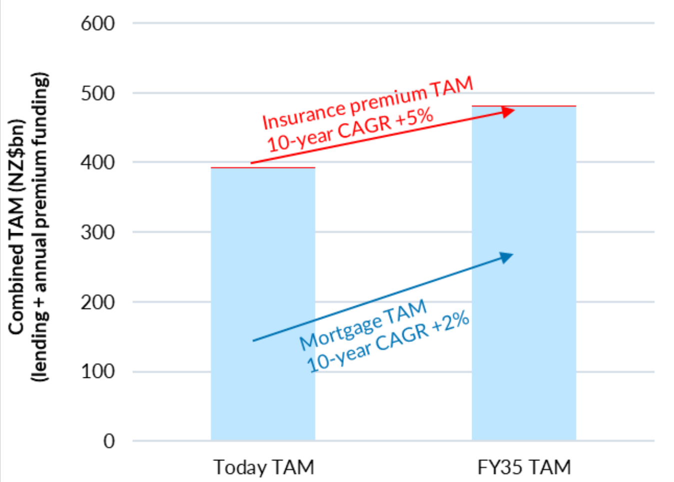
a) Total Addressable Market (TAM)

New Zealand's mortgage market is ~NZ$392bn, comprising ~NZ$387bn of registered bank mortgages and ~NZ$5.0bn of NBLI mortgage stock. The commercial GWP pool is ~NZ$0.8bn (FY25 ICNZ data). We present these together as a combined TAM of ~NZ$393bn. The two are not directly additive—mortgages are an outstanding loan book while insurance GWP is an annual flow that can be financed through premium funding—but the combined figure provides a useful scale benchmark for GEN's runway. Premium funding loans are written against an annual premium and typically amortise within a policy year, so annual premium flow is a practical proxy for the fundable annual origination opportunity. To frame the forward opportunity:

- **Property** mortgage loans grow at a +2% CAGR over 10 years on our forecasts. This is deliberately conservative against the long-run expansion in registered bank housing lending since the late 1990s—a +8% per annum compound, driven by high net migration, house price inflation, and building cost inflation that we do not assume repeat at the same pace. This implies ~NZ$472bn of registered bank mortgages and a total property TAM of ~NZ$480bn, with the NBLI component rising to ~NZ$8.1bn through balance sheet growth and a modest share shift as DCS-supported depositor confidence improves funding capacity and banks remain more selective in specialist segments.
- For the **insurance** pool, we apply a +5% CAGR on commercial GWP to derive ~NZ$1.3bn in 10 years, broadly in line with the ~30-year trend of +5.8% per annum, reflecting premium inflation but assuming some moderation as the reinsurance cycle normalises.

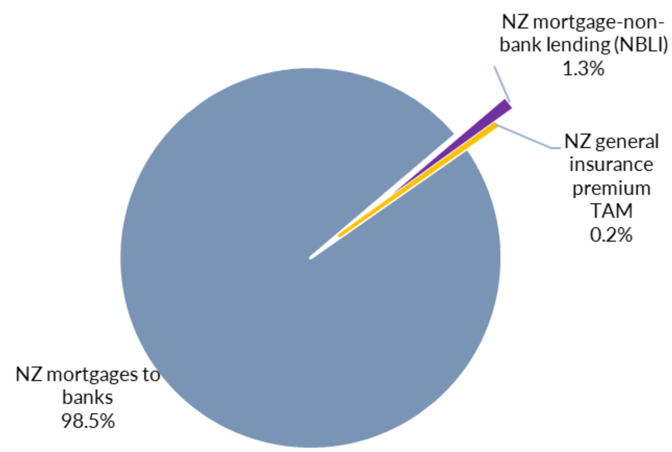
Taken together, our combined 10-year TAM opportunity view is ~NZ$481bn, with Figure 67 showing that almost all of the uplift is driven by property stock compounding. While premiums remain small in absolute terms despite faster growth (Figure 68), the premium funding market is more broker-mediated and concentrated, supporting a higher obtainable share for an operator with an established platform like Bridges than is realistic in property lending against the major banks' existing scale and distribution.

Figure 67. TAM uplift driven by property growth (mortgage stock+annual commercial GWP, not directly additive)



Source: Forsyth Barr analysis

Figure 68. TAM composition showing major bank dominance in NZ lending



Source: Forsyth Barr analysis

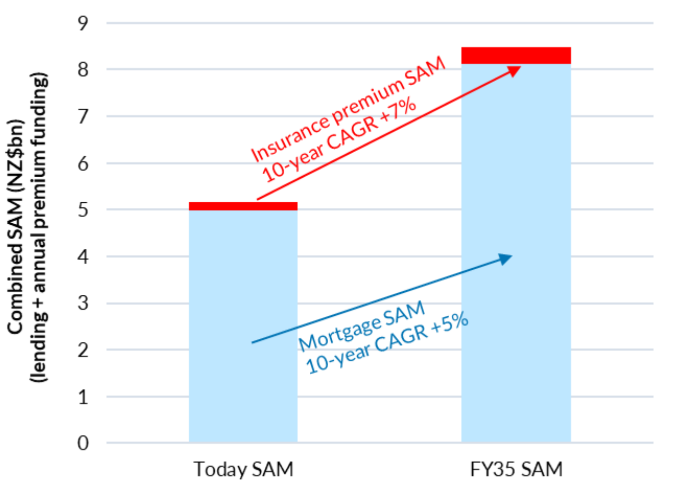
b) Serviceable Addressable Market (SAM)

The SAM narrows total market pools to the segments GEN can realistically serve and is driven by two components: non-bank property-secured lending and premium funding. Specifically:

- For **property**-secured lending, we use the NBLI market as the serviceable pool today—~NZ$5.0bn—capturing the specialist secured segment where non-banks compete on speed and documentation tolerance rather than mainstream mortgages. Over time, we expect that serviceable pool to expand as DCS-supported depositor confidence improves funding capacity for licensed NBDTs and as the regulatory perimeter converges under the Deposit Takers Act 2023, narrowing the perceived credibility gap versus banks. Consistent with that, our 10-year assumption increases the NBLI property SAM to ~NZ$8.1bn.
- For **insurance** premium funding, the serviceable pool is not the full commercial insurance premium TAM (~NZ$0.8bn per annum) but the portion that is fundable through premium funding products. Penetration is primarily a distribution and adoption function—broker engagement, SME awareness, and the relative attractiveness of monthly instalments versus paying upfront. We assume current penetration of ~20% of the commercial premium pool (accepting that this estimate may be inaccurate, given the limited publicly available data), implying a premium funding SAM of ~NZ$0.16bn (annual), rising to ~NZ$0.32bn (annual) over 10 years as penetration lifts to ~25%, driven by growth in the underlying premium pool and gradual normalisation of premium funding in the SME segment.

Combined, this implies a current SAM of ~NZ$5.1bn and a 10-year SAM of ~NZ$8.4bn (Figures 69 and 70), dominated by NBLI property lending, with premium funding a smaller but faster-growing flow overlay as penetration lifts.

Figure 69. SAM uplift led by NBLI property lending growth



Source: Forsyth Barr analysis

Figure 70. SAM build (loan book plus annual premium funding)

	Today	FY35
Property		
TAM: total mortgage loans (banks + NBLI)	NZ$392bn	NZ$480bn
NBLI share of mortgage loan book	1.3%	1.7%
SAM: NBLI property lending	**NZ$5.0bn**	**NZ$8.1bn**
Insurance		
TAM: commercial premiums (annual)	NZ$0.8bn	NZ$1.3bn
Premium funding penetration of commercial GWP	20%	25%
SAM: premium lending (annual)	**NZ$159m**	**NZ$323m**
SAM combined (property loan book + annual premium funding)	**NZ$5.1bn**	**NZ$8.4bn**

Source: Forsyth Barr analysis

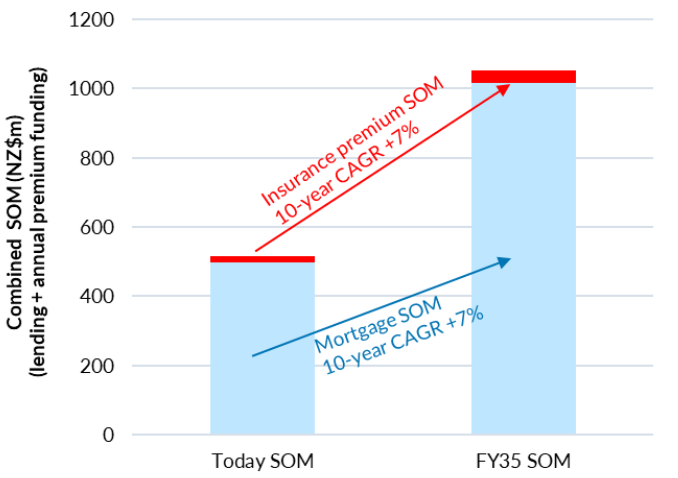
c) Serviceable Obtainable Market (SOM)

The SOM recognises that no single lender will capture the full SAM, particularly in fragmented non-bank segments contested by other NBDTs, first mortgage trusts, wholesale specialists, and broker-distributed premium funders. We frame share through three lenses: 1) *observed share* (GEN's actual book as a percentage of current SAM), 2) *today's obtainable share* (the share GEN could realistically capture given its platform and distribution), and 3) *FY35 obtainable share* (the share GEN could realistically capture by FY35 as DCS-supported funding, regulatory convergence, and broker distribution scale). FY35 is framed as an endpoint rather than a forecast (Figures 71 and 72).

- In **property** lending, GEN's observed share of the NBLI property market is ~4.7% today, given its current loan book of ~NZ$235m (4Q26). We assess today's obtainable share at ~10%, reflecting the platform, deposit franchise, and conservative credit settings already in place. By FY35 we expect this to lift to ~12.5% as DCS-supported funding capacity and broker distribution scale, implying a property SOM of ~NZ$1,016m on a SAM of ~NZ$8.1bn (Figure 71). The upside is that the DCS-driven deposit franchise and improved disclosure allow GEN to gather funding at a lower marginal cost than smaller peers, supporting faster scaling. The downside is that competition intensifies as banks re-enter the segment and wholesale-funded lenders re-price aggressively.
- In **insurance** premium funding, GEN's observed share is ~5% today (~NZ$8m on a NZ$159m SAM). Today's obtainable share is ~10%, holding by FY35 as the underlying pool grows—delivering an FY35 SOM of ~NZ$32m per annum on a SAM of ~NZ$323m.

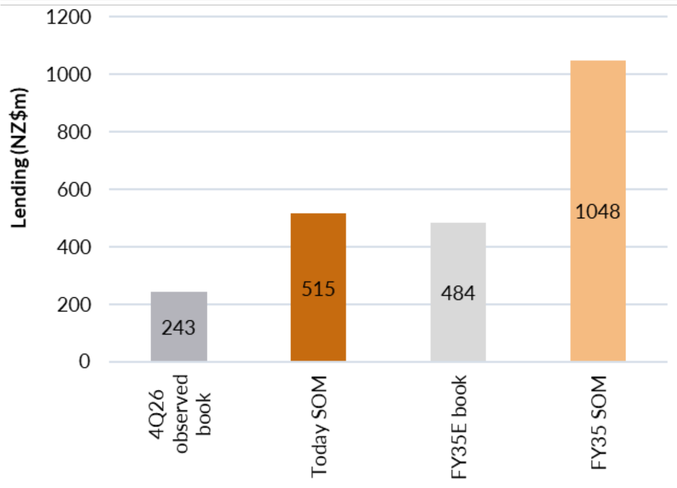
Combined, this produces an FY35 SOM of ~NZ$1,048m. The FY35E loan book of ~NZ$484m sits at ~46% of the FY35 SOM, implying substantial headroom (Figure 72). GEN's growth is not constrained by market size, but by its ability to gather deposits at an acceptable cost, disciplined origination, and the emergence of operating leverage as scale increases.

Figure 71. SOM uplift led by property; premiums overlay



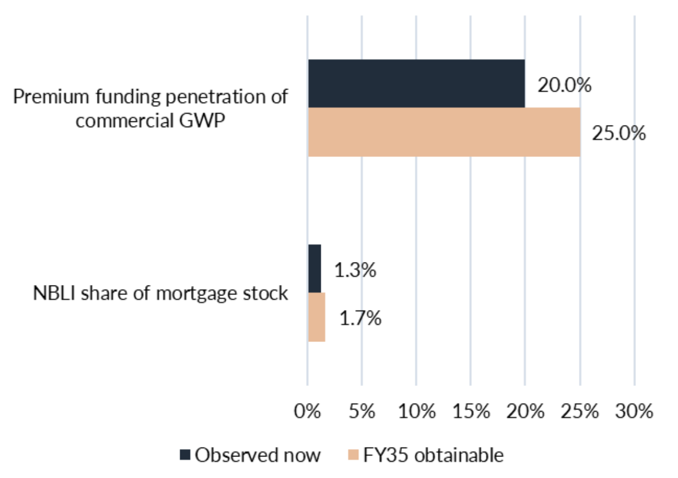
Source: Forsyth Barr analysis

Figure 72. FY35 SOM remains well above forecast book



Source: Forsyth Barr analysis

Figure 73. Penetration/share assumptions



Source: Forsyth Barr analysis,

Figure 74. SOM build methodology—observed, today's obtainable, and FY35 obtainable

	Observed today	Today's obtainable	FY35 obtainable
Property			
SAM: NBLI property	~NZ$5.0bn	~NZ$5.0bn	~NZ$8.1bn
GEN share of NBLI property	4.7%	10.0%	12.5%
GEN property SOM	**NZ$235m**	**NZ$498m**	**NZ$1,016m**
Insurance			
SAM: premium funding (annual)	NZ$159m	NZ$159m	NZ$323m
GEN share premium funding	5%	10%	10%
GEN premium funding SOM (annual)	**NZ$8m**	**NZ$16m**	**NZ$32m**
SOM combined (property stock + annual premium funding)	NZ$243m	NZ$515m	NZ$1,048m

Source: Forsyth Barr analysis

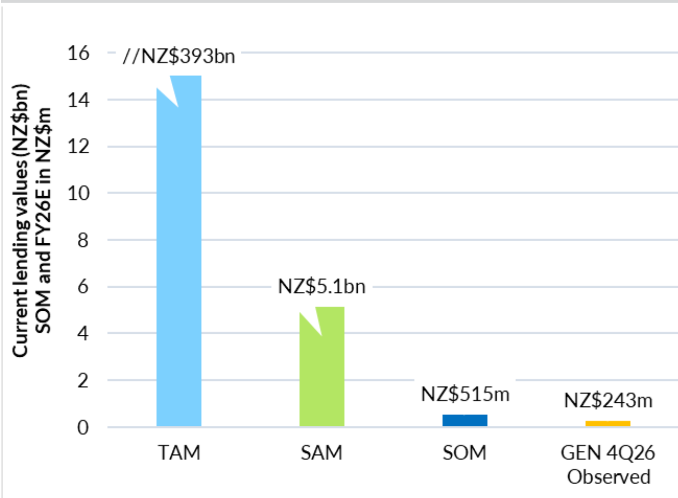
d) Large addressable market, execution-led growth

Our TAM/SAM/SOM framework reinforces that GEN's growth runway is not constrained by market size. Figure 76 shows SAM remains an order of magnitude above GEN's FY26E loan book, and SOM remains materially larger again after applying conservative attainable share assumptions. The pathway from SAM to SOM is not based on a single blanket share assumption. Figure 77 makes explicit that market share capture differs by segment, with lower attainable share in NBLI property lending and a higher attainable share in premium funding, reflecting fragmentation versus broker-concentrated distribution. In our framework, premium funding can support a higher attainable share because the market is more concentrated and broker-distributed, while NBLI property lending is more fragmented and contested across multiple non-bank models. The investment debate is therefore execution-led rather than market-led. The constraint is gathering deposits at acceptable cost, disciplined origination within conservative credit settings, and operating leverage as scale builds. The SOM is deliberately framed as an upper bound rather than a forecast; our base case assumes GEN captures only a portion of that potential over time. Modest share gains within growing non-bank segments—rather than direct competition with the major banks for mainstream mortgage share—will support material balance sheet expansion and a clearer re-rating pathway as operating leverage and disclosure improve.

Figure 75. Our TAM/SAM/SOM framework in action

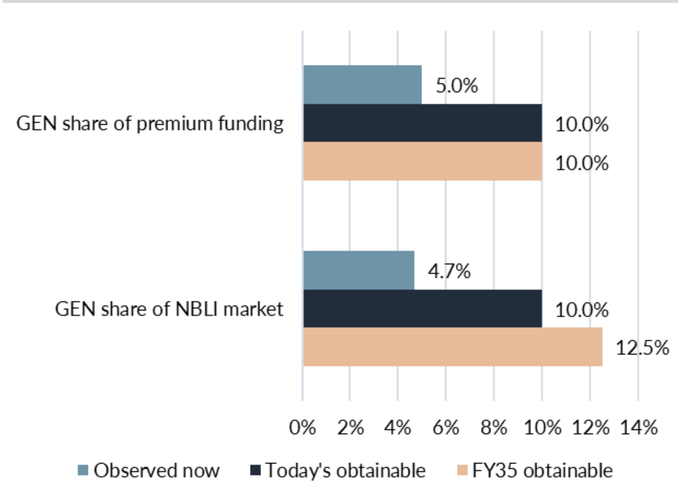
Source: Forsyth Barr analysis

Figure 76. Current TAM/SAM/SOM versus 4Q26 reported



Source: Forsyth Barr analysis

Figure 77. GEN share: observed, SOM, FY35 obtainable



Source: Forsyth Barr analysis,

Section 5: Appendices

Appendix 1: 1H26 result review

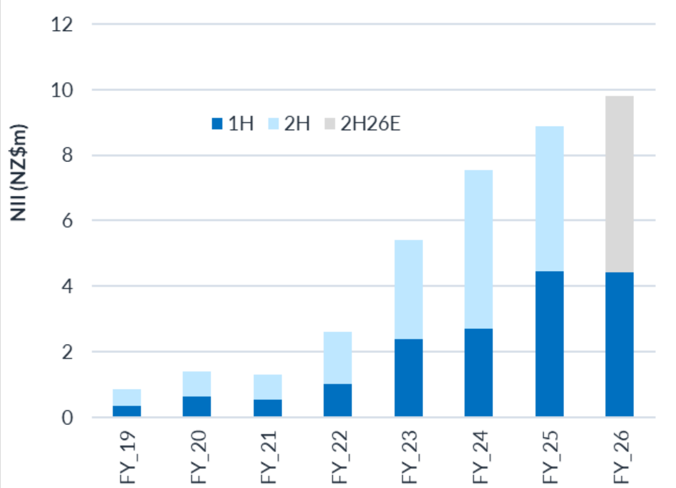
GEN's 1H26 result for the six months to 30 September 2025 highlighted accelerating balance sheet momentum alongside temporarily depressed profitability. Revenue rose to NZ$12.9m (+19% against the prior year), while total assets increased to NZ$275.8m (+26%), reflecting ongoing balance sheet expansion across the group's lending and funding platform. Funding growth was the standout, with secured term deposits up +52% and loans up +40% against the prior year, supported by improved depositor confidence following the Depositor Compensation Scheme. NPAT fell to NZ$1.0m (-35%), largely reflecting ~NZ$0.6m of one-off acquisition and integration costs relating to Bridges, alongside a ~NZ$0.4m net increase in credit loss provisions. Bridges' first full half under GEN ownership was constructive, with premium funding revenue up +29% against the prior year. Capital remained conservative, with a 15.27% capital ratio at September 2025—well above the 8% trust deed minimum—and an interim dividend of NZ0.33cps declared, consistent with a 30% NPAT payout.

Figure 78. GEN—HY earnings comparison

	1H25	1H26	Change
Interest income	10.342	11.966	+16%
Interest expense	(5.899)	(7.538)	+28%
Net interest income	4.442	4.428	0%
Fee and commission income	0.450	0.679	+51%
Fee and commission expense	(0.018)	-	-100%
Net fee and commission income	0.432	0.679	+57%
Revenue from contracts with customers	0.048	0.254	+434%
Cost of sales	(0.007)	(0.005)	-22%
Gross profit from contracts with customers	0.041	0.249	+512%
Modification gain on loan receivables	-	-	
Other income	0.002	0.004	+109%
Total revenue	10.84	12.90	+19%
Net revenue (gross margin)	4.92	5.36	+9%
Total operating expenses	**(2.71)**	**(3.88)**	**+43%**
Profit before income tax expense	2.21	1.48	-33%
Income tax (expense) / benefit	(0.63)	(0.46)	-27%
Net profit after income tax expense	**1.57**	**1.02**	**-35%**
Earnings per share (cents per share)	1.73	1.11	-36%
Diluted earnings per share (cents per share)	1.73	1.11	-36%

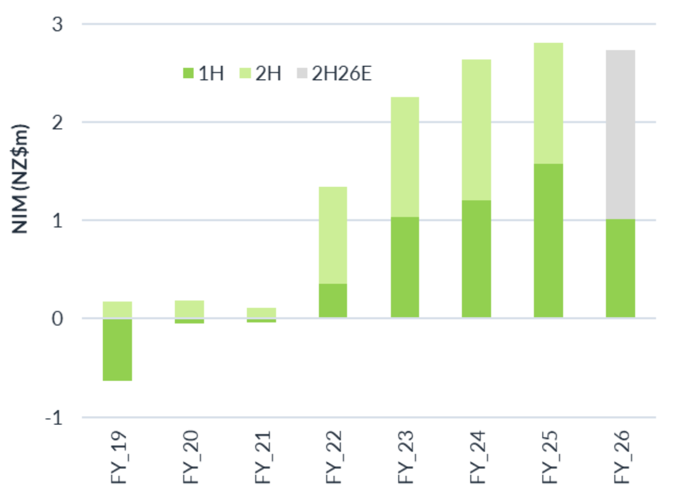
Source: Company, Forsyth Barr analysis

Figure 79. GEN—Net Interest Income by half year



Source: Company, Forsyth Barr analysis

Figure 80. GEN—NPAT by half year



Source: Company, Forsyth Barr analysis

Appendix 2: Table of historical information

Figure 81. GEN—Income statements (NZ$m)

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Interest income	0.39	1.48	2.85	3.53	5.57	10.62	16.48	21.54
Interest expense	(0.21)	(0.64)	(1.44)	(2.25)	(2.98)	(5.22)	(8.95)	(12.66)
Net interest income	**0.18**	**0.84**	**1.41**	**1.29**	**2.60**	**5.39**	**7.53**	**8.88**
Fee and commission income	0.06	0.28	0.55	0.93	1.89	2.98	0.53	0.87
Fee and commission expense	(0.01)	(0.09)	(0.13)	(0.25)	(0.50)	(0.78)	(0.01)	(0.02)
Net fee and commission income	**0.05**	**0.19**	**0.42**	**0.69**	**1.39**	**2.20**	**0.52**	**0.85**
Revenue from contracts with customers	0.23	0.35	0.23	0.28	0.51	0.07	0.14	0.16
Cost of sales	(0.22)	(0.02)	(0.03)	(0.04)	(0.06)	(0.00)	(0.02)	(0.02)
Gross profit from contracts with customers	**0.00**	**0.32**	**0.20**	**0.24**	**0.46**	**0.06**	**0.12**	**0.14**
Modification gain on loan receivables	-	-	-	0.09	-	-	-	-
Other income	0.01	0.03	0.01	0.05	0.04	0.05	0.03	0.06
Total revenue	0.68	2.14	3.64	4.88	8.02	13.71	17.17	22.63
Net revenue (gross margin)	**0.24**	**1.38**	**2.04**	**2.26**	**4.48**	**7.70**	**8.20**	**9.94**
Total operating expenses	**(0.58)**	**(1.81)**	**(1.85)**	**(2.23)**	**(2.60)**	**(4.36)**	**(4.61)**	**(6.00)**
Profit before income tax expense	(0.33)	(0.43)	0.19	0.03	1.89	3.34	3.59	3.94
Income tax (expense) / benefit	0.01	(0.03)	(0.06)	(0.04)	(0.55)	(1.09)	(0.95)	(1.13)
Net profit after income tax expense	**(0.33)**	**(0.46)**	**0.13**	**(0.00)**	**1.34**	**2.26**	**2.63**	**2.81**
Earnings per share (cents per share)	(4.14)	(0.46)	0.08	0.05	0.78	0.98	0.72	3.09
Diluted earnings per share (cents per share)	(1.39)	(0.36)	0.08	0.05	0.78	0.98	0.72	3.09

Source: Company, Forsyth Barr analysis

Appendix 3: Strengths, weaknesses, opportunities and threats (SWOT) analysis

Figure 82. GEN—SWOT analysis

Strengths	Weaknesses
• Conservative property-secured lending model with low LVRs and minimal credit losses • DCS supports deposit confidence and funding runway • NZX listing supports disclosure, governance, and capital-raising flexibility • Capital ratio of 16.4% (vs 8% minimum), providing growth headroom • Bridges adds a second lending vertical (premium funding), with revenue up +29% in 1H26 • BB credit rating with Positive Outlook from Equifax • Management track record of capital-light M&A	• Small-cap scale limits market visibility and institutional investor support • NIM under pressure as deposit base reprices and lending competition intensifies • Small team—key person and succession risk • Low daily trading volume limits institutional liquidity • Reliance on retail term deposits increases sensitivity to depositor sentiment
Opportunities	**Threats**
• DCS continues to drive structural deposit inflows from banks to NBDTs • Operating leverage emerging—cost growth tracking below revenue growth • Bolt-on M&A in fragmented NBDT sector (e.g. further IPF, SME lending) • Potential pathway to registered bank status over time • Rising ROE trajectory attracts yield-focused investors • Regulatory convergence could improve competitive neutrality over time, supporting a repositioning opportunity	• Bank competition could compress pricing as credit conditions ease • Property market weakness or rising unemployment could lift arrears • Regulatory burden—evolving NBDT/DTA settings increase compliance costs • DCS levy costs erode profitability for smaller NBDTs • Cyber or operational incidents could undermine depositor confidence and funding stability • Fintech-led competition could compress pricing or increase acquisition spend • Higher rates could compress demand and increase funding costs • Loan book concentration—rapid growth in a single geography (Auckland/ NZ residential) creates geographic and asset-class concentration risk • Open banking could reduce onboarding friction if GEN participates, but may also increase deposit switching and price comparison

Source: Forsyth Barr analysis

Appendix 4: Company history

Figure 83. GEN—Company history

Date	Event
2011	General Capital Limited incorporated (registered) on 30 September 2011
2012	Listed on NZX on 9 January 2012
2015	General Finance Limited became a licensed NBDT on 13 February 2015
2018	FY18: NPAT loss -NZ$0.3m; total assets NZ$16m, loan book NZ$9m
2019	FY19: NPAT loss -NZ$0.5m; total assets NZ$20m, loan book NZ$14m
2020	COVID-19 disruption; maintained conservative lending posture
2020	FY20: NPAT NZ$0.13m; total assets NZ$51m; loan book NZ$35m
2021	FY21: NPAT NZ$0.08m; total assets NZ$68m; loan book NZ$54m
2022	FY22: NPAT NZ$1.2m; total assets NZ$103m; loan book NZ$80m
2023	FY23: NPAT NZ$2.3m; credit rating affirmed BB; total assets NZ$136m; loan book NZ$109m
2024 (Mar)	Credit rating reaffirmed BB by Equifax
2024 (Mar)	FY24: NPAT NZ$2.6m; total assets NZ$163m; loan book NZ$132m
2024 (Nov)	Acquisition of Bridges Financial Services (insurance premium funding)
2024 (Dec)	First dividend paid—NZ0.98cps (~32% payout ratio)
2025 (Mar)	FY25: NPAT NZ$2.8m; total assets NZ$218m; loan book NZ$151m
2025 (Jul)	Depositor Compensation Scheme (DCS) comes into effect
2025 (Dec)	3Q26: total assets NZ$280m; loan book NZ$226m; BB Positive Outlook reaffirmed
2026 (Mar)	4Q26: total assets NZ$280m; loan book NZ$243m

Source: Company, Forsyth Barr analysis

Appendix 5: Share price

Figure 84. GEN share price history (NZ$)

Source: Workspace, NZX, Forsyth Barr analysis

Appendix 6: Board remuneration and profiles

Figure 85. GEN—Board profiles

Board Member	Position	Description
Rewi Bugo	Chairman	Rewi Bugo has been a Non-Executive Director of General Capital Limited since 13 June 2017 and was elected Chairman of the Board of Directors following the acquisition of Corporate Holdings Limited in August 2018. Mr Bugo is a graduate of the University of Canterbury, Christchurch, where he obtained a Master of Commerce degree in Business Administration. He has business experience in several sectors including property development, oil and gas services, automotive importing and distribution, insurance broking, and tourism. Mr Bugo sits on the Board of private and public companies in Malaysia and New Zealand, is a Trustee of World Wildlife Fund Malaysia, and a passionate supporter of the Tourette's Association of New Zealand.
Brent King	Managing Director	See management profiles.
Gregory James	Director	Greg James is a Senior Partner of Taxation and Mergers and Acquisitions at Findex, New Zealand's fifth-largest accounting firm. Greg has over 30 years of tax structuring and consulting experience and is a member of Chartered Accountants Australia and New Zealand. Prior to joining Findex, Greg worked for PricewaterhouseCoopers, including spending eight years working in Hong Kong and New York. During his career, Greg has worked with numerous listed and newly listed companies and has extensive experience sourcing equity and debt funding for clients. Greg has a strong interest in cricket and is currently a Director of Parnell Cricket Club and is on the board of Remuera Parnell Sports Community Charitable Trust. He is also a member of China ASEAN and is a Director of a number of its group companies.
Anita Killeen	Director	Anita Killeen is a Financial Services Barrister at Quay Chambers in Auckland. She has decision-making experience at board, executive and statutory levels and has specialist expertise in Commercial Mediation. At a governance level she provides expertise in audit, risk, regulation, and compliance. Anita also has certification from MIT Sloan School of Management in Cybersecurity Governance for the Board of Directors. She is the former Chief Prosecutor of the Serious Fraud Office and holds governance roles in the legal, financial, NZX, local and central government sectors. Her current roles include Director of General Capital Ltd, Director of Public Trust, Deputy Chair of Ngāi Tai ki Tāmaki Commercial Investment Board, Deputy Chair of NetSafe NZ, and Director of UNICEF NZ. Her previous roles include having served as Chair of the Auckland Regional Amenities Funding Board, Chair of Fertility NZ, Director of SPCA Auckland, and Domain Name Commission.
Donald Hathaway	Director	Don is a member of Chartered Accountants Australia and New Zealand (CAANZ) and practised as a Chartered Accountant in public practice from 1980 until April 2023. He retired as a Partner in Price Waterhouse in 1996 and specialised in acting for small or medium-sized enterprise businesses since then, often fulfilling the role of finance director for those companies. Don was the Chairman of listed banking software technology company Finzsoft Solutions Ltd. Don is a previous Chairman of the Board of Directors of the Auckland Cricket Association. He has held a previous public company directorship with Cooks Coffee Company Ltd, previously known as Cooks Global Foods Ltd, as well as directorships with a number of private companies.
Gregory Pearce	Director	Greg is a lending and credit specialist having held roles with large companies, Telecom, and Air New Zealand, and a senior role with Dorchester Finance Limited being General Manager Lending and Credit. He subsequently consulted to receivers in relation to loan recoveries and in 2017 joined General Finance as Executive Director Lending and Credit. He retired from this role in 2020 and has continued with the company as an independent Non-Executive Director.
Geoff Sinclair	Director	Geoff is a founding Director/Shareholder of Blackbird Finance Limited, a specialist trade/asset finance lender to the wholesale motor vehicle industry. He also sits on the board of Japanese-owned Autobridge Limited and has held a number of senior roles within the finance sector. After starting in investment banking/finance in the late 1990s with Bankers Trust in London, the majority of Geoff's focus has been in and around the motor vehicle industry, where he has extensive experience in import, wholesale, retail finance, and operations. Geoff specialises in start-ups and building on existing business operations, broad experience including governance, general management, marketing, strategic planning, product development, lending, compliance, and credit control.

Source: Company, Forsyth Barr analysis

Figure 86. GEN—Board remuneration and shareholding

Director	Director fees (2024)	Other remuneration (2024)	Total (2024)	Director fees (2025)	Other remuneration (2025)	Total (2025)	Current Directors shareholding (#)	Shareholding (%)
Rewi Bugo	56,000	60,000	116,000	60,480	60,000	120,480	31,730,479	34.5%
Brent King	35,000	386,410	421,410	37,800	417,376	455,176	9,605,508	10.5%
Gregory James	32,000	-	32,000	46,933	-	46,933	349,619	0.4%
Anita Killeen	5,333	-	5,333	34,560	-	34,560		0.0%
Donald Hathaway (director of subsidiary)	54,200	-	54,200	58,536	-	58,536	223,223	0.2%
Gregory Pearce (director of subsidiary)	41,400	109,158	150,558	44,712	6,180	50,892	12,500	0.0%
Geoffrey Sinclair (appointed 01 August 2024) (director of subsidiary)	-	-	0	25,200	-	25,200	20,817	0.0%
Paul Zingel (ceased 31 October 2024)	32,000	-	32,000	20,160	-	20,160	n/a	n/a
Megan Glen (ceased 31 March 2025)	32,000	-	32,000	34,560	-	34,560	n/a	n/a
Huei Lim (ceased 31 May 2023)	5,333	-	5,333	-	-	-	n/a	n/a
Simon McArley (ceased 17 July 2023)	14,933	-	14,933	-	-	-	n/a	n/a
Robert Hart (director of subsidiary) (ceased 31 October 2023)	20,417	-	20,417	-	-	-	n/a	n/a
Anton Douglas (director of subsidiary, ceased 8 Nov 2023)	17,500	-	17,500	-	-	-	n/a	n/a
Totals	**346,116**	**555,568**	**901,684**	**362,941**	**483,556**	**846,497**	**41,942,146**	**45.6%**
Change over last year				*5%*	*-13%*	*-6%*		

Source: Company, Forsyth Barr analysis

Appendix 7: Management profiles

Figure 87. GEN—Management profiles

Management	Position	Description
Brent King	Managing Director	Brent King has been the Managing Director of General Capital Limited and its subsidiaries since 3 August 2018. Prior to that date, Mr King was a Non-Executive Director since 30 September 2011. He was also the founder and Managing Director of the Dorchester Group of Companies for 17 years until he resigned in 2005. He holds a number of public and private directorships. He has more than 25 years' experience in financial, investment banking, underwriting, capital raising and accounting areas and has assisted a number of public and private companies.
Vik Singh	CFO	Vik joined General Capital in May 2025 as Chief Financial Officer. Vik is a Chartered Accountant with extensive global financial services experience across New Zealand, Australia, and in the United Kingdom. Vik commenced his career in professional services and worked for Deloitte before migrating to London. During his seven-year tenure in London, Vik worked in senior finance roles at HSBC, global investment management group M&G Plc, and funds management group Jupiter. Prior to joining General Capital, Vik was a Director in PwC NZ's management consulting division and previously Group Financial Controller for investment banking group Jarden.

Source: Company, Forsyth Barr analysis

Figure 88. GEN—Managing Director remuneration

Category	FY24 (31 March 2024)	FY25 (31 March 2025)
Salary	305,576	350,000
Bonuses	-	0
Employee Share Scheme	53,250	67,376
Total	**358,826**	**417,376**
Change over last year		*16%*

Source: Company, Forsyth Barr analysis

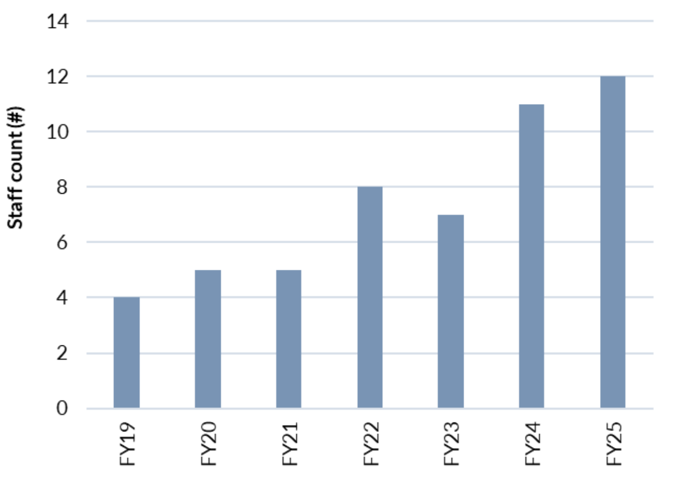
Appendix 8: Employee remuneration

Figure 89. GEN—Employee remuneration

Remuneration range	FY19	FY20	FY21	FY22	FY23	FY24	FY25
100,000 – 109,999	-	-	1	-	-	1	1
110,000 – 119,999	-	-	-	-	-	-	-
120,000 – 129,999	1	-	-	-	-	1	-
130,000 – 139,999	1	-	-	1	2	1	2
140,000 – 149,999	-	-	-	-	-	-	-
150,000 – 159,999	-	-	-	-	-	1	-
160,000 – 169,999	-	2	-	-	-	-	-
170,000 – 179,999	-	-	1	-	-	-	3
180,000 – 189,999	-	-	-	-	-	-	-
190,000 – 199,999	-	-	-	-	-	-	-
200,000 – 209,999	-	-	-	1	1	-	-
210,000 – 219,999	-	-	-	-	-	-	-
220,000 – 229,999	-	-	-	-	-	-	-
230,000 – 239,999	-	-	-	-	-	-	-
240,000 – 249,999	-	-	-	-	-	2	-
250,000 – 259,999	-	-	-	-	-	-	1
<$100,000	2	3	3	6	4	5	5
Total employee count	**4**	**5**	**5**	**8**	**7**	**11**	**12**

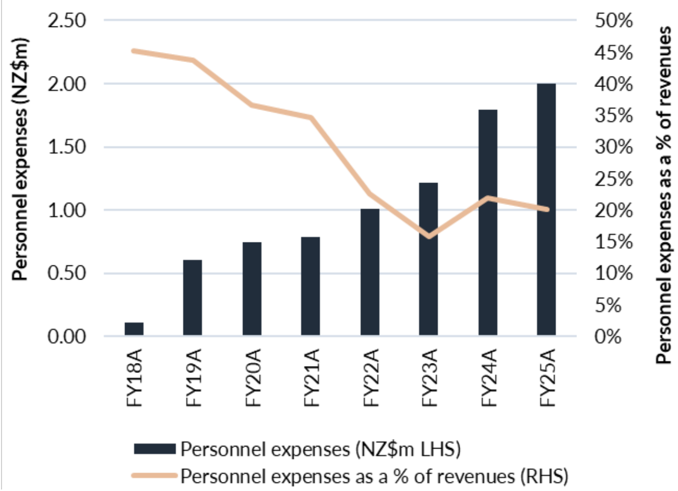
Source: Company, Forsyth Barr analysis

Figure 90. GEN—FTE staff count (#)



Source: Company, Forsyth Barr analysis

Figure 91. GEN—Personnel expenses (NZ$m)



Source: Company, Forsyth Barr analysis

Appendix 9: Key terms and definitions

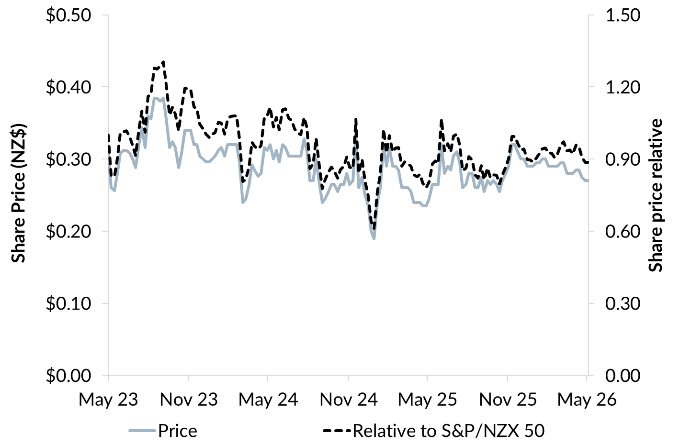
Figure 92. Key terms

Term	Definition
AML/CFT	Anti-Money Laundering and Countering Financing of Terrorism
CAGR	Compound annual growth rate
CAPEX	Capital expenditure; customer or company spending on physical assets
CTI	Cost-to-Income ratio
DCF	Discounted Cash Flow
DCS	Depositor Compensation Scheme—protects eligible depositors up to NZ$100,000 per institution
DPS	Dividend per share
DRP	Dividend reinvestment plan
DTA	Deposit Takers Act 2023
EBIT	Operating profit; earnings before interest and tax
EPS	Earnings Per Share
ESOP	Employee Share Option Plan
EV	Enterprise value
FIPS	Financial Institutions Performance Survey (KPMG)
FTE	Full-time equivalent; headcount measure adjusted for part-time roles
G&A	General and Administration expenses
GM	Gross margin; revenue less cost of sales, often quoted as a percentage
Gross impaired assets	Includes all impaired assets, restructured assets, and assets acquired through the enforcement of security
Gross revenue	Includes gross interest income, gross operating lease and net other income
HPI	House Price Index/House Price Inflation
Impaired asset expense	The charge to NPAT for bad debts and provisions for doubtful debts, which is net of recoveries (where identifiable)
Interest spread	Difference between the average interest rate on average interest-earning assets, and interest rate on interest-bearing liabilities
IPF	Insurance Premium Funding
LVR	Loan-to-Value Ratio
NBDT	Non-Bank Deposit Taker
NBLI	Non-Bank Lending Institution
Net assets	Total assets less total liabilities
Net interest income	Interest income (including net income from acting as a lessor) less interest expense
Net interest margin	Net interest income divided by average interest earning assets
Net loans and advances	Loans and advances, net of provision for doubtful debts
NIM	Net Interest Margin
NPAT	Net profit after tax
NTA	Net Tangible Assets
NZX	New Zealand Exchange
OCR	Official Cash Rate (set by RBNZ)
P/B	Price-to-Book ratio
Past due assets	Any asset that has not been operated by the counterparty within its key terms for 90 days (but not impaired assets)
PE	Price-to-Earnings ratio
Provision for doubtful debts	Includes both collective and individual provisions for bad and doubtful debts
R&D	Research & Development expenses
RBNZ	Reserve Bank of New Zealand
ROE	Return on Equity
ROI	Return on investment
SAM	Serviceable addressable market; portion of TAM addressable with current products
SOM	Serviceable obtainable market; realistic share of SAM the company can capture
TAM	Total addressable market; total potential market size for all players
Total assets	Excludes goodwill assets (unless specifically defined)
WACC	Weighted Average Cost of Capital

Source: Forsyth Barr analysis

Additional data

Figure 93. Share price performance



Source: LSEG, Forsyth Barr analysis

Figure 94. Substantial shareholders

Shareholder	Latest Holding
Rewi Bugo (Chairman)	34.5%
Brent King (Managing Director)	10.5%
DMX Asset Management	8.4%
Ascentro Capital Partners	7.1%

Source: NZX, Forsyth Barr analysis, NOTE: based on SPH notices only

Figure 95. International valuation comparisons using consensus data (one and two-year forward)

Company	Code	Price	Mkt Cap	PE		EV/EBITDA		EV/EBIT		Cash Yld
			(m)	1yr	2yr	1yr	2yr	1yr	2yr	1yr
General Capital	**GEN NZ**	**NZ$0.27**	**NZ$25**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
Heartland Group Holdings	HGH NZ	NZ$1.14	NZ$1,073	10.8x	9.1x	5.6x	4.9x	5.7x	5x	6.2%
Liberty Group	LFG AT	A$3.35	A$1,017	6.3x	5.6x	0.9x	0.8x	1x	0.9x	10.4%
Pepper Money Ltd	PPM AT	A$1.72	A$772	7x	6.5x	>75x	>75x	54.3x	50.5x	9.9%
Resimac Group Ltd	RMC AT	A$0.89	A$352	6.4x	6.4x	>75x	>75x	>75x	>75x	11.8%
ANZ	ANZ AT	A$35.85	A$108,059	14.2x	13.7x	n/a	n/a	12.2x	11.6x	4.7%
Westpac	WBC AT	A$36.87	A$126,107	17.1x	16.3x	24.7x	23.2x	12.1x	11.7x	4.3%
NAB	NAB AT	A$37.90	A$116,262	16.1x	15x	n/a	n/a	6.5x	6x	4.5%
CBA	CBA AT	A$173.76	A$290,781	25.5x	24.8x	14.9x	14.1x	n/a	n/a	3.0%
Bendigo and Adelaide Bank	BEN AT	A$10.60	A$6,149	12.3x	11.8x	n/a	n/a	n/a	n/a	6.0%
Macquarie Group	MQG AT	A$237.18	A$90,422	18x	17x	18x	17.2x	n/a	n/a	3.3%
Bank of Queensland	BOQ AT	A$6.32	A$4,180	11.6x	11.1x	n/a	n/a	6.6x	6.4x	6.6%

Source: Forsyth Barr analysis, Bloomberg. NOTE: all multiples based on Bloomberg consensus estimates. EV = market cap + net debt + lease liabilities + min interests - investments

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